UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED OCTOBER 29, 2017

Commission file number 1-4121

DEERE & COMPANY
(Exact name of registrant as specified in its charter)

Delaware	**36-2382580**
(State of incorporation)	(IRS Employer Identification No.)

One John Deere Place, Moline, Illinois	**61265**	**(309) 765-8000**
(Address of principal executive offices)	(Zip Code)	(Telephone Number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Title of each class	Name of each exchange on which registered
Common stock, $1 par value	New York Stock Exchange
8½% Debentures Due 2022	New York Stock Exchange
6.55% Debentures Due 2028	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate quoted market price of voting stock of registrant held by non-affiliates at April 30, 2017 was $35,641,157,591. At November 30, 2017, 322,595,010 shares of common stock, $1 par value, of the registrant were outstanding. Documents Incorporated by Reference. Portions of the proxy statement for the annual meeting of stockholders to be held on February 28, 2018 are incorporated by reference into Part III of this Form 10-K.

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ITEM 1. BUSINESS.

This Annual Report on Form 10-K contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Annual Report on Form 10-K are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, and other important information about forward-looking statements are disclosed under Item 1A, ''Risk Factors'' and Item 7, ''Management's Discussion and Analysis of Financial Condition and Results of Operations–Safe Harbor Statement'' in this Annual Report on Form 10-K.

Products

Deere & Company (the Company) and its subsidiaries (collectively, John Deere) have operations that are categorized into three major business segments.

The *agriculture and turf* segment primarily manufactures and distributes a full line of agriculture and turf equipment and related service parts — including large, medium and utility tractors; tractor loaders; combines, cotton pickers, cotton strippers, and sugarcane harvesters; related harvesting front-end equipment; sugarcane loaders and pull-behind scrapers; tillage, seeding and application equipment, including sprayers, nutrient management and soil preparation machinery; hay and forage equipment, including self-propelled forage harvesters and attachments, balers and mowers; turf and utility equipment, including riding lawn equipment and walk-behind mowers, golf course equipment, utility vehicles, and commercial mowing equipment, along with a broad line of associated implements; integrated agricultural management systems technology and solutions; and other outdoor power products.

The *construction and forestry* segment primarily manufactures and distributes a broad range of machines and service parts used in construction, earthmoving, material handling and timber harvesting — including backhoe loaders; crawler dozers and loaders; four-wheel-drive loaders; excavators; motor graders; articulated dump trucks; landscape loaders; skid-steer loaders; and log skidders, feller bunchers, log loaders, log forwarders, log harvesters and related attachments.

The products and services produced by the segments above are marketed primarily through independent retail dealer networks and major retail outlets.

The *financial services* segment primarily finances sales and leases by John Deere dealers of new and used agriculture and turf equipment and construction and forestry equipment. In addition, the financial services segment provides wholesale financing to dealers of the foregoing equipment, finances retail revolving charge accounts and offers extended equipment warranties.

John Deere's worldwide agriculture and turf operations and construction and forestry operations are sometimes collectively referred to as the ''equipment operations.'' The financial services segment is sometimes referred to as the ''financial services operations.''

Additional information is presented in the discussion of business segment and geographic area results on page 20. The John Deere enterprise has manufactured agricultural machinery since 1837. The present Company was incorporated under the laws of Delaware in 1958.

The Company's internet address is http://www.JohnDeere.com. Through that address, the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are available free of charge as soon as reasonably practicable after they are filed with the United States Securities and Exchange Commission (Securities and Exchange Commission or Commission). The information contained on the Company's website is not included in, or incorporated by reference into, this annual report on Form 10-K.

Recent Developments

On December 1, 2017, the Company completed its previously announced acquisition of substantially all of the business operations of Wirtgen Group Holding GmbH (Wirtgen). Wirtgen, which was a privately-held international company, is the leading manufacturer worldwide of road construction equipment spanning processing, mixing, paving, compaction and rehabilitation. Headquartered in Germany, the operating group of companies includes product brands ''WIRTGEN'', ''VÖGELE'', ''HAMM'', ''KLEEMANN,'' ''BENNINGHOVEN'', and ''CIBER''; as well as sales and service companies worldwide. Wirtgen owns and operates 10 factory locations, sells products in more than 100 countries, and has approximately 8,200 employees. Wirtgen will be included in the Company's construction and forestry operating segment. For additional information, see Note 30—Subsequent Events.

Market Conditions and Outlook

The Company's equipment sales are projected to increase by about 22 percent for fiscal 2018 and by about 38 percent for the first quarter compared with the same periods of 2017. Included in the forecast is a positive foreign-currency translation effect of about 2 percent for the year and about 3 percent for the first quarter. Net sales and revenues are projected to increase about 19 percent for fiscal 2018, with net income attributable to the Company of about $2.6 billion.

The acquisition of the Wirtgen Group closed on December 1, 2017, and is forecast to contribute about $3.1 billion in net sales in fiscal 2018. Wirtgen is expected to add about 12 percent to Deere's sales for the full year and about 6 percent for the first quarter in

comparison with 2017. After estimated expenses for purchase accounting and transaction costs, Wirtgen is expected to contribute about $75 million to operating profit and about $25 million to net income in fiscal 2018.

Agriculture & Turf. The Company's worldwide sales of agriculture and turf equipment are forecast to increase by about 9 percent for fiscal 2018, including a positive currency-translation effect of about 2 percent. Industry sales for agricultural equipment in the U.S. and Canada are forecast to be up 5 to 10 percent for 2018, supported by higher demand for large equipment. Full-year industry sales in the EU28 member nations are forecast to be up about 5 percent due to improving conditions in the dairy and livestock sectors. South American industry sales of tractors and combines are projected to be flat to up 5 percent as a result of continued positive conditions, particularly in Argentina. Asian sales are forecast to be flat with strength in India offsetting weakness in China. Industry sales of turf and utility equipment in the U.S. and Canada are expected to be about flat for 2018. Deere's turf sales are expected to outperform the industry owing to the success of new products.

Construction & Forestry. The Company's worldwide sales of construction and forestry equipment are anticipated to be up about 69 percent for 2018, including a positive currency-translation effect of about 1 percent. The Wirtgen business is expected to add about 54 percent to the division's sales for the year. The outlook reflects moderate economic growth worldwide, including higher housing starts in the U.S. and increased activity in the oil and gas sector. In forestry, global industry sales are expected to be flat to up 5 percent mainly as a result of improved lumber prices in North America.

Financial Services. Fiscal 2018 net income attributable to the Company for the financial services operations is expected to be approximately $515 million. The outlook reflects a higher average portfolio, partially offset by increased selling, administrative and general expenses.

2017 Consolidated Results Compared with 2016

Worldwide net income attributable to the Company in fiscal 2017 was $2,159 million, or $6.68 per share diluted ($6.76 basic), compared with $1,524 million, or $4.81 per share diluted ($4.83 basic), in 2016. Worldwide net sales and revenues increased 12 percent to $29,738 million in 2017, compared with $26,644 million in fiscal 2016. Net sales of the worldwide equipment operations rose 11 percent in fiscal 2017 to $25,885 million from $23,387 million last year. Sales included price realization of 1 percent and a favorable currency translation effect of 1 percent. Equipment net sales in the United States and Canada increased 5 percent for fiscal 2017. Outside the U.S. and Canada, net sales increased 20 percent for the year, with a favorable currency translation effect of 1 percent for fiscal 2017.

Worldwide equipment operations had an operating profit of $2,821 million in fiscal 2017, compared with $1,880 million in fiscal 2016. The operating profit increase was primarily due to higher shipment volumes, a gain on the sale of the remaining interest in SiteOne Landscape Supply, Inc. (SiteOne) (see Note 5), price realization and a favorable product mix, partially offset by increases in production costs, selling, administrative and general expenses, and warranty related expenses.

Net income of the Company's equipment operations was $1,707 million for fiscal 2017, compared with $1,058 million in fiscal 2016. The operating factors mentioned affected the results.

The financial services operations reported net income attributable to the Company in fiscal 2017 of $477 million, compared with $468 million in fiscal 2016. The increase was largely due to lower losses on lease residual values, partially offset by less favorable financing spreads, and higher selling, administrative and general expenses. Additional information is presented in the following discussion of the "Worldwide Financial Services Operations."

The cost of sales to net sales ratio for fiscal 2017 was 77.0 percent, compared with 78.0 percent last year. The improvement was due primarily to price realization and a favorable product mix, partially offset by increases in production costs and warranty related expenses.

Additional information on fiscal 2017 results is presented on pages 19-21.

EQUIPMENT OPERATIONS

Agriculture and Turf

The John Deere agriculture and turf segment manufactures and distributes a full line of agriculture and turf equipment and related service parts. The segment consolidates all markets into four geographical customer focus areas to facilitate deep customer understanding and deliver world-class customer service. The segment's equipment operations are consolidated into five product platforms — crop harvesting (combines, cotton pickers, cotton strippers, and sugarcane harvesters, related harvesting front-end equipment, sugarcane loaders and pull-behind scrapers); turf and utility (utility vehicles, riding lawn equipment, walk-behind mowers, commercial mowing equipment, golf course equipment, implements for mowing, tilling, snow and debris handling, aerating and many other residential, commercial, golf and sports turf care applications and other outdoor power products); hay and forage (self-propelled forage harvesters and attachments, balers and mowers); crop care (tillage, seeding and application equipment, including sprayers, nutrient management and soil preparation machinery); and tractors (loaders and large, medium and utility tractors and related attachments). John Deere also purchases certain products from other manufacturers for resale.

The segment also provides integrated agricultural business and equipment management systems. John Deere has developed a comprehensive agricultural management systems approach using advanced communications, data collection and global satellite positioning technologies to enable farmers to better control input costs and yields, improve soil conservation, minimize chemical use,

and to gather information. John Deere's advanced telematics systems remotely connect agricultural equipment owners, business managers and dealers to agricultural equipment in the field, providing real-time alerts and information about equipment location, utilization, performance and maintenance to improve productivity and efficiency.

In addition to the John Deere brand, the agriculture and turf segment purchases and sells a variety of equipment attachments under the Frontier, Kemper and Green Systems brand names. The segment also manufactures and sells sprayers under the Hagie and Mazzotti brand names, planters and cultivators under the Monosem brand name, and walk-behind mowers and scarifiers in select European countries under the SABO brand name. John Deere manufactures its agriculture and turf equipment for sale primarily through independent retail dealer networks, and also builds turf products for sale by mass retailers, including The Home Depot and Lowe's.

Sales of agricultural equipment are affected by total farm cash receipts, which reflect levels of farm commodity prices, acreage planted, crop yields and government policies, including the amount and timing of government payments. Sales are also influenced by general economic conditions, farm land prices, farmers' debt levels and access to financing, interest and exchange rates, agricultural trends, including the production of and demand for renewable fuels, labor availability and costs, energy costs, tax policies and other input costs associated with farming. Other important factors affecting new agricultural equipment sales are the value and level of used equipment, including tractors, harvesting equipment, self-propelled sprayers, hay and forage equipment and seeding equipment. Weather and climatic conditions can also affect buying decisions of agricultural equipment purchasers.

Innovations in machinery and technology also influence agricultural equipment purchasing. For example, larger, more productive equipment is well accepted where farmers are striving for more efficiency in their operations. Large, cost-efficient, highly-mechanized agricultural operations account for an important share of worldwide farm output. The large-size agricultural equipment used on such farms has been particularly important to John Deere. A large proportion of the equipment operations' total agricultural equipment sales in the U.S. and Canada, and a significant proportion of sales in many countries outside the U.S. and Canada, are comprised of tractors over 100 horsepower, self-propelled combines, self-propelled cotton pickers, self-propelled forage harvesters, self-propelled sprayers and seeding equipment. However, small tractors are an increasingly important part of our global tractor business. Further, John Deere offers a number of harvesting solutions to support development of the mechanized harvesting of grain, oilseeds, cotton, sugar and biomass.

Retail sales of lawn and garden tractors, compact utility tractors, residential and commercial mowers, utility vehicles, and golf and turf equipment are influenced by weather conditions, consumer spending patterns and general economic conditions.

Seasonality. Seasonal patterns in retail demand for agricultural equipment result in substantial variations in the volume and mix of products sold to retail customers during the year. Seasonal demand must be estimated in advance, and equipment must be manufactured in anticipation of such demand in order to achieve efficient utilization of manpower and facilities throughout the year. For certain equipment, John Deere offers early order discounts to retail customers. Production schedules are based, in part, on these early order programs. The segment incurs substantial seasonal variation in cash flows to finance production and inventory of agricultural equipment. The segment also incurs costs to finance sales to dealers in advance of seasonal demand. New combine and cotton harvesting equipment has been sold under early order programs with waivers of retail finance charges available to customers who take delivery of machines during off-season periods. In Australia, Canada and the U.S., there are typically several used equipment trade-in transactions as part of most new agricultural equipment sales. To provide support to its dealers for these used equipment trade-ins, John Deere provides dealers in these countries with pools of funds, awarded to dealers as a percentage of the dealer cost for eligible new equipment sales. Dealers can use these funds to defray the costs of carrying or marketing used equipment inventory or to provide financing incentives to customers purchasing the used equipment.

Retail demand for turf and utility equipment is normally higher in the second and third fiscal quarters. John Deere has pursued a strategy of building and shipping such equipment as close to retail demand as possible. Consequently, to increase asset turnover and reduce the average level of field inventories through the year, production and shipment schedules of these product lines are normally proportionately higher in the second and third fiscal quarters of each year, corresponding closely to the seasonal pattern of retail sales.

Construction and Forestry

John Deere's construction and forestry equipment includes a broad range of backhoe loaders, crawler dozers and loaders, four-wheel-drive loaders, excavators, motor graders, articulated dump trucks, landscape loaders, skid-steer loaders, log skidders, log feller bunchers, log loaders, log forwarders, log harvesters and a variety of attachments. John Deere provides a broad line of construction equipment and the most complete line of forestry machines and attachments available in the world. The construction and forestry machines are distributed under the John Deere brand name, and forestry attachments are distributed under the John Deere and Waratah brand names. In addition to the equipment manufactured by the construction and forestry segment, John Deere purchases certain products from other manufacturers for resale. The segment also provides comprehensive fleet management telematics solutions designed to improve customer productivity and efficiency through access to fleet location, utilization and maintenance information.

The prevailing levels of residential, commercial and public construction and the condition of the forestry products industry influence retail sales of John Deere construction, earthmoving, material handling and forestry equipment. General economic conditions, the level of interest rates, the availability of credit and certain commodity prices such as those applicable to pulp, paper and saw logs also influence sales.

John Deere licenses Bell Equipment Limited (Bell) to manufacture and sell certain John Deere-designed construction equipment in specified territories of Africa. Bell is also the distributor of certain John Deere-manufactured construction equipment under the Bell brand and forestry equipment under the John Deere brand in certain territories of Africa.

John Deere and Hitachi Construction Machinery Co. (Hitachi) have a joint venture for the manufacture of hydraulic excavators and tracked forestry equipment and loaders in the U.S. and Canada and a joint venture for the manufacture of excavators in Brazil. John Deere distributes Hitachi brands of construction and mining equipment in North, Central and South America. The supply agreement with Hitachi for distribution in certain Asian markets was terminated in 2015; however, Hitachi may place orders for Deere equipment through October of 2018.

The segment has a number of initiatives in the rent-to-rent, or short-term rental, market for construction, earthmoving and material handling equipment. These include specially designed rental programs for John Deere dealers and expanded cooperation with major, national equipment rental companies.

John Deere also owns Nortrax, Inc. which in turn owns Nortrax Canada Inc. which in turn owns Nortrax Quebec Inc. (collectively called Nortrax). Nortrax is an authorized John Deere dealer for construction, earthmoving, material handling and forestry equipment in a variety of markets in the U.S. and Canada. John Deere also owns retail forestry sales operations in Australia, Brazil, Finland, Ireland, New Zealand, Norway, Sweden and the United Kingdom.

Competition

The equipment operations sell products and services into a variety of highly competitive global and regional markets. The principal competitive factors in all markets include product performance, innovation and quality, distribution, customer service and price. In North America and many other parts of the world, John Deere's brand recognition is a competitive factor.

The competitive environment for the agriculture and turf segment includes some global competitors, including AGCO Corporation, CLAAS KGaA mbH, CNH Global N.V., Kubota Tractor Corporation, Mahindra, and The Toro Company and many regional and local competitors. These competitors have varying numbers of product lines competing with the segment's products and each has varying degrees of regional focus. An important part of the competition within the agricultural equipment industry during the past decade has come from a variety of short-line and specialty manufacturers, as well as indigenous regional competitors, with differing manufacturing and marketing methods. Because of industry conditions, including the merger of certain large integrated competitors and the emergence and expanding global capability of many competitors, particularly in emerging and high potential markets such as Brazil, China and India where John Deere seeks to increase market share, the agricultural equipment business continues to undergo significant change and is becoming even more competitive. The segment's turf equipment is sold primarily in the highly competitive North American and Western European markets.

Global competitors of the construction and forestry segment include Caterpillar Inc., Komatsu Ltd., Volvo Construction Equipment (part of Volvo Group AB), CNH Global N.V., Doosan Infracore Co., Ltd. and its subsidiary Doosan Bobcat Inc., Tigercat Industries Inc. and Ponsse Plc. The construction business operates in highly competitive markets in North and South America and other global markets, including China and Russia. The forestry business operates globally. The segment manufactures over 90 percent of the types of construction equipment used in the U.S. and Canada, including construction, forestry, earthmoving, and material handling equipment.

Engineering and Research

John Deere invests heavily in engineering and research to improve the quality and performance of its products, to develop new products and to comply with government regulations. Such expenditures were $1,368 million, or 5.3 percent of net sales, in 2017; $1,389 million, or 5.9 percent of net sales, in 2016; and $1,425 million, or 5.5 percent of net sales, in 2015.

Manufacturing

Manufacturing Plants. In the U.S. and Canada, the equipment operations own and operate 21 factory locations and lease and operate another two locations, which contain approximately 29.1 million square feet of floor space. Of these 23 factories, 13 are devoted primarily to agriculture and turf equipment, four to construction and forestry equipment, one to engines, two to engine and component remanufacturing, two to hydraulic and power train components, and one to electronic components. Outside the U.S. and Canada, the equipment operations own or lease and operate: agriculture and turf equipment factories in Argentina, Brazil, China, France, Germany, India, Israel, Italy, Mexico, the Netherlands, Russia and Spain; construction equipment factories in Brazil and China; engine, engine/power train, hydraulic, or electronic component factories in Argentina, China, France, India and Mexico; and forestry equipment factories in Finland and New Zealand. These factories and manufacturing operations outside the U.S. and Canada contain approximately 20 million square feet of floor space. The engine factories referred to above manufacture non-road, heavy duty diesel engines.

The equipment operations also have financial interests in other manufacturing organizations, which include agricultural equipment manufacturers in the U.S., Bell in South Africa, the Hitachi joint venture that builds hydraulic excavators and track log loaders in the U.S. and Canada, the Hitachi joint venture that builds hydraulic excavators in Brazil, and ventures that manufacture transaxles and transmissions used in certain agriculture and turf segment products.

John Deere's facilities are well maintained, in good operating condition and suitable for their present purposes. These facilities, together with both short-term and long-term planned capital expenditures, are expected to meet John Deere's manufacturing needs in the foreseeable future.

Existing capacity is sufficient to satisfy John Deere's current expectations for retail market demand. The equipment operations' manufacturing strategy involves the implementation of appropriate levels of technology and automation to allow manufacturing processes to remain profitable at varying production levels. Operations are also designed to be flexible enough to accommodate the product design changes required to meet market conditions and changing customer requirements. Common manufacturing facilities and techniques are employed in the production of components for agriculture and turf equipment and construction and forestry equipment.

In order to utilize manufacturing facilities and technology more effectively, the equipment operations pursue continuous improvements in manufacturing processes. These include steps to streamline manufacturing processes and enhance responsiveness to customers. John Deere has implemented flexible assembly lines that can accommodate a wider product mix and deliver products in line with dealer and customer demand. Additionally, considerable effort is being directed to manufacturing cost reduction through process improvement and improvements in product design, advanced manufacturing technology, supply management and logistics, and environment, health, and safety management systems as well as compensation incentives related to productivity and organizational structure. In past years, John Deere has experienced volatility in the price of many raw materials. John Deere has responded to cost pressures by implementing the cost-reduction measures described above and by increasing prices. Significant cost increases, if they occur, could have an adverse effect on the Company's operating results. The equipment operations also pursue external sales of selected parts and components that can be manufactured and supplied to third parties on a competitive basis, including engines, power train components and electronic components.

Capital Expenditures. The equipment operations' capital expenditures totaled $583 million in 2017, compared with $665 million in 2016 and $649 million in 2015. Provisions for depreciation applicable to these operations' property and equipment during these years were $720 million, $695 million, and $687 million, respectively. Capital expenditures for the equipment operations in 2018 are currently estimated to be approximately $925 million. The 2018 expenditures will relate primarily to the modernization and restructuring of key manufacturing facilities, global regulatory requirements, and the development of new products, including capital expenditures for Wirtgen (see Recent Developments on page 3). Future levels of capital expenditures will depend on business conditions.

Patents, Trademarks, and Trade Secrets

John Deere owns a significant number of patents, trade secrets, licenses and trademarks related to John Deere products and services, and expects the number to grow as John Deere continues to pursue technological innovations. John Deere's policy is to further its competitive position by filing patent applications in the U.S. and internationally to protect technology and improvements considered important to the business. John Deere believes that, in the aggregate, the rights under these patents and licenses are generally important to its operations and competitive position, but does not regard any of its businesses as being dependent upon any single patent or group of patents. However, certain John Deere trademarks, which contribute to John Deere's identity and the recognition of its products and services, including but not limited to the ''John Deere'' mark, the leaping deer logo, the ''Nothing Runs Like a Deere'' slogan, the prefix ''JD'' associated with many products and green and yellow equipment colors, are an integral part of John Deere's business, and their loss could have a material adverse effect on the Company. For additional information see Risk Factor—*The potential loss of John Deere intellectual property through trade secret theft, infringement of patents, trademark counterfeiting, or other loss of rights to exclusive use of John Deere intellectual property may have a material adverse effect on the Company. Infringement of the intellectual property rights of others by Deere may also have a material adverse effect on the Company*.

Marketing

In the U.S. and Canada, the equipment operations distribute equipment and service parts through the following facilities: two agriculture and turf equipment sales and administration offices located in Olathe, Kansas and Cary, North Carolina and one sales branch located in Grimsby, Ontario; and one construction, earthmoving, material handling and forestry equipment sales and administration office located in Moline, Illinois. In addition, the equipment operations operate a centralized parts distribution warehouse in coordination with nine regional parts depots and distribution centers in the U.S. and Canada.

Through these U.S. and Canadian facilities, John Deere markets products to approximately 2,359 dealer locations, most of which are independently owned and operated. Of these, approximately 1,532 sell agricultural equipment, while approximately 424 sell construction, earthmoving, material handling and/or forestry equipment. Nortrax owns some of the 424 dealer locations. Turf equipment is sold at most John Deere agricultural equipment locations, a few construction, earthmoving, material handling and forestry equipment locations and about 403 turf-only locations, many of which also sell dissimilar lines of non-John Deere products. In addition, certain lawn and garden product lines are sold through The Home Depot and Lowe's.

Outside the U.S. and Canada, John Deere agriculture and turf equipment is sold to distributors and dealers for resale in over 100 countries. Sales and administrative offices are located in Argentina, Australia, Brazil, China, France, Germany, India, Italy, Mexico, the Netherlands, Poland, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine and the United Kingdom and administrative offices located in Ghana and Kenya. Associated companies doing business in China also sell agricultural equipment. Turf equipment sales outside the U.S. and Canada occur primarily in Europe and Australia. Construction, earthmoving, material handling and forestry equipment is sold to distributors and dealers primarily by sales offices located in Australia, Brazil, China, Finland, New Zealand, Russia, Singapore and the United States. Some of these dealers are independently owned while John Deere owns others. The equipment operations operate centralized parts distribution warehouses in Brazil, Germany, India and Russia in coordination with regional parts depots and distribution centers in Argentina, Australia, China, Mexico, South Africa, Sweden and the United Kingdom.

John Deere markets engines, power train and electronic components worldwide through select sales branches or directly to regional and global original equipment manufacturers and independently owned engine distributors.

Raw Materials

John Deere purchases raw materials and some manufactured components and replacement parts for its equipment, engines and other products from leading suppliers both domestically and internationally. These materials and components include a variety of steel products, steel and iron castings, forgings, plastics, electronics and ready-to-assemble components made to certain specifications. John Deere also purchases various goods and services used in production, logistics, offices and research and development processes. John Deere maintains strategic sourcing models to meet its production needs and build upon long-term supplier relationships. John Deere uses a variety of agreements with suppliers intended to drive innovation, ensure availability and delivery of industry-leading quality raw materials and components, manage costs on a globally competitive basis, protect John Deere's intellectual property and minimize other supply-related risks. Supply chain risks monitored by John Deere to minimize the likelihood of the supply base causing business disruption include supplier financial viability, capacity, business continuity, quality, delivery and weather-related events including natural disasters. In fiscal 2017, no significant work stoppages occurred due to shortages of raw materials or other commodities, but John Deere experienced an increasing number of supply chain disruptions linked to supplier labor shortages.

Backlog Orders

The dollar amount of backlog orders for the agriculture and turf segment believed to be firm was approximately $5.6 billion at October 29, 2017, compared with $4.2 billion at October 30, 2016. The agriculture and turf backlog is generally highest in the second and third quarters due to seasonal buying trends in these industries. John Deere generally produces and ships its construction and forestry equipment on average within approximately 90 days after an order is deemed to become firm; this is an increase from 60 days in 2016 due to higher order volume starting in the second half of 2017. No significant amount of construction and forestry backlog orders accumulates during any period.

Trade Accounts and Notes Receivable

Trade accounts and notes receivable arise primarily from sales of goods to independent dealers. Most trade receivables originated by the equipment operations are purchased by the financial services operations. The equipment operations compensate the financial services operations at approximate market rates of interest for these receivables. Additional information appears in Note 12 to the Consolidated Financial Statements.

FINANCIAL SERVICES

U.S. and Canada. The financial services segment primarily provides and administers financing for retail purchases from John Deere dealers of new equipment manufactured by John Deere's agriculture and turf and construction and forestry segments and used equipment taken in trade for this equipment.

The Company and John Deere Construction & Forestry Company (a wholly-owned subsidiary of the Company) are referred to as the ''sales companies.'' John Deere Capital Corporation (Capital Corporation), a U.S. financial services subsidiary, generally purchases retail installment sales and loan contracts (retail notes) from the sales companies. These retail notes are acquired by the sales companies through John Deere retail dealers in the U.S. John Deere Financial Inc., a Canadian financial services subsidiary, purchases and finances retail notes acquired by John Deere Canada ULC, the Company's Canadian sales branch. The terms of retail notes and the basis on which the financial services operations acquire retail notes from the sales companies are governed by agreements with the sales companies. The financial services segment also finances and services revolving charge accounts, in most cases acquired from and offered through merchants in the agriculture and turf and construction and forestry markets (revolving charge accounts). Additionally, the financial services operations provide wholesale financing for inventories of John Deere agriculture and turf equipment and construction and forestry equipment owned by dealers of those products (wholesale notes). The various financing options offered by the financial services operations are designed to enhance sales of John Deere products and generate financing income for the financial services operations. In the U.S., certain subsidiaries included in the financial services segment offer extended equipment warranties.

Retail notes acquired by the sales companies are immediately sold to the financial services operations. The equipment operations are the financial services operations' major source of business, but many retail purchasers of John Deere products finance their purchases outside the John Deere organization through a variety of sources, including commercial banks and finance and leasing companies.

The financial services operations offer retail leases to equipment users in the U.S. A small number of leases are executed with units of local government. Leases are usually written for periods of four months to sixty months, and typically contain an option permitting the customer to purchase the equipment at the end of the lease term. Retail leases are also offered in a generally similar manner to customers in Canada through John Deere Financial Inc. and John Deere Canada ULC.

The financial services operations' terms for financing equipment retail sales (other than smaller items financed with unsecured revolving charge accounts) generally provide for retention of a security interest in the equipment financed. The financial services operations' guidelines for minimum down payments, which vary with the types of equipment and repayment provisions, are generally 10 percent to 30 percent of the purchase price. Finance charges are sometimes waived for specified periods or reduced on certain John Deere products sold or leased in advance of the season of use or in other sales promotions. The financial services operations generally receive compensation from the sales companies at approximate market interest rates for periods during which finance charges are waived or reduced on the retail notes or leases. The cost is accounted for as a deduction in arriving at net sales by the equipment operations.

The Company has an agreement with Capital Corporation to make payments to Capital Corporation such that its ratio of earnings to fixed charges is not less than 1.05 to 1 for any fiscal quarter. For fiscal 2017 and 2016, Capital Corporation's ratios were 1.95 to 1 and 2.22 to 1, respectively, and never less than 1.79 to 1 and 2.01 to 1 for any fiscal quarter of 2017 and 2016, respectively. The Company has also committed to continue to own, directly or through one or more wholly-owned subsidiaries, at least 51 percent of the voting shares of capital stock of Capital Corporation and to maintain Capital Corporation's consolidated tangible net worth at not less than $50 million. The Company's obligations to make payments to Capital Corporation under the agreement are independent of whether Capital Corporation is in default on its indebtedness, obligations or other liabilities. Further, the Company's obligations under the agreement are not measured by the amount of Capital Corporation's indebtedness, obligations or other liabilities. The Company's obligations to make payments under this agreement are expressly stated not to be a guaranty of any specific indebtedness, obligation or liability of Capital Corporation and are enforceable only by or in the name of Capital Corporation. No payments were required under this agreement in fiscal 2017 or 2016.

Outside the U.S. and Canada. The financial services operations also offer financing, primarily for John Deere products, in Australia, Brazil, China, India, New Zealand, Russia, Thailand and in several other countries in Africa, Asia, Europe and Latin America. In certain areas, financing is offered through cooperation agreements or joint ventures. The manner in which the financial services operations offer financing in these countries is affected by a variety of country-specific laws, regulations and customs, including those governing property rights and debtor obligations, that are subject to change and that may introduce greater risk to the financial services operations.

The financial services operations also offer to select customers and dealers credit enhanced international export financing for the purchase of John Deere products.

Additional information on the financial services operations appears on pages 19–21, 23 and 25–26.

ENVIRONMENTAL MATTERS

John Deere is subject to a wide variety of local, state and federal environmental laws and regulations in the U.S., as well as the environmental laws and regulations of other countries in which John Deere conducts business. John Deere strives to comply and believes it is in compliance in all material respects with applicable laws and regulations. However, failure to comply with these regulations could lead to fines and other penalties. John Deere is involved in the evaluation and clean-up of a limited number of sites but does not expect that these matters or other expenses or liabilities John Deere may incur in connection with any noncompliance with environmental laws or regulations or the cleanup of any additional properties, will have a material adverse effect on the consolidated financial position, results of operations, cash flows or competitive position of John Deere. With respect to acquired properties and businesses or properties and businesses acquired in the future, John Deere conducts due diligence into potential exposure to environmental liabilities, but cannot be certain that it has identified or will identify all adverse environmental conditions. Compliance with these laws and regulations has added, and will continue to add, to the cost of John Deere's products.

The U.S. Environmental Protection Agency has issued stringent emissions regulations for off-road engines, and governmental agencies throughout the world are similarly enacting more stringent laws to reduce off-road engine emissions. John Deere has achieved and plans to continue to achieve compliance with these regulations through significant investments in the development of new engine technologies and after-treatment systems. Compliance with emissions regulations has added and will continue to add to the cost of John Deere's products.

EMPLOYEES

At October 29, 2017, John Deere had approximately 60,500 employees, including approximately 29,000 employees in the U.S. and Canada. John Deere also retains consultants, independent contractors, and temporary and part-time workers. Unions are certified as bargaining agents for approximately 84 percent of John Deere's U.S. production and maintenance employees. Approximately 8,700 of John Deere's active U.S. production and maintenance workers are covered by a collective bargaining agreement with the United Auto Workers (UAW), with an expiration date of October 1, 2021.

Unions also represent the majority of employees at John Deere manufacturing facilities outside the U.S.

EXECUTIVE OFFICERS OF THE REGISTRANT

Following are the names and ages of the executive officers of the Company, their positions with the Company and summaries of their backgrounds and business experience. All executive officers are elected or appointed by the Board of Directors and hold office until the annual meeting of the Board of Directors following the annual meeting of stockholders in each year.

Name, age and office (at December 1, 2017), and year elected to office				Principal occupation during last five years other than office of the Company currently held
Samuel R. Allen	64	Chairman and Chief Executive Officer	2010	Has held this position for the last five years
James M. Field	54	President, Agriculture & Turf Division-Global Harvesting & Turf Platforms, Americas and Australia	2012	Has held this position for the last five years
Jean H. Gilles	60	Senior Vice President, John Deere Power Systems, Worldwide Parts Services, Advanced Technology & Engineering and Global Supply Management and Logistics	2010	Has held this position for the last five years
Max A. Guinn	59	President, Worldwide Construction & Forestry	2014	2012 – 2014 Senior Vice President, Human Resources, Communications, Public Affairs and Labor Relations
Marc A. Howze	54	Senior Vice President and Chief Administrative Officer	2016	2012 – 2016 Vice President, Global Human Resources & Employee Communications
Mary K.W. Jones	49	Senior Vice President and General Counsel	2013	2010 – 2013 Vice President Global Human Resources
Rajesh Kalathur	49	Senior Vice President and Chief Financial Officer	2012	Has held this position for the last five years
John C. May	48	President, Agricultural Solutions & Chief Information Officer	2012	Has held this position for the last five years
Cory J. Reed	47	President, John Deere Financial	2016	2013 – 2016 Senior Vice President, Intelligent Solutions Group; 2012 – 2013 Senior Vice President, Global Marketing Services
Markwart von Pentz	54	President, Agriculture & Turf Division-Europe, Asia, Africa, and Global Tractor Platform	2012	Has held this position for the last five years

ITEM 1A. RISK FACTORS.

The following risks are considered the most significant to John Deere's business based upon current knowledge, information and assumptions. This discussion of risk factors should be considered closely in conjunction with Management's Discussion and Analysis beginning on page 19, including the risks and uncertainties described in the Safe Harbor Statement on pages 21 and 22, and the Notes to Consolidated Financial Statements beginning on page 34. These risk factors and other forward-looking statements that relate to future events, expectations, trends and operating periods involve certain factors that are subject to change, and important risks and uncertainties that could cause actual results to differ materially. Some of these risks and uncertainties could affect particular lines of business, while others could affect all of the Company's businesses. Although each risk is discussed separately, many are interrelated. The Company, except as required by law, undertakes no obligation to update or revise this risk factors discussion, whether as a result of new developments or otherwise. The risks described in this Annual Report on Form 10-K and the "Safe Harbor Statement" in this report are not the only risks faced by the Company.

International, national and regional trade laws, regulations and policies (particularly those related to or restricting global trade) and government farm programs and policies could significantly impair John Deere's profitability and growth prospects.

International, national and regional laws, regulations and policies directly or indirectly related to or restricting the import and export of John Deere's products, services and technology, including protectionist policies in particular jurisdictions or for the benefit of favored industries or sectors, could harm John Deere's multinational business and subject John Deere to civil and criminal sanctions for violations. John Deere's profitability and growth prospects are tied directly to the global marketplace. Restricted access to global markets impairs John Deere's ability to export goods and services from its various manufacturing locations around the world, and limits the ability to access raw materials and high quality parts and components at competitive prices on a timely basis. Trade restrictions, including potential limitations on existing trade agreements and trade terms, could limit John Deere's ability to capitalize on current and future growth opportunities in international markets and impair John Deere's ability to expand the business by offering new technologies, products and services. These restrictions may affect John Deere's competitive position. Additionally, John Deere's competitive position and results could be adversely affected by changes in–or uncertainty surrounding–U.S. trade policy. Furthermore, the ability to export agricultural and forestry commodities is critical to John Deere's agricultural and forestry customers. Policies

impacting exchange rates and commodity prices or those limiting the export or import of commodities could have a material adverse effect on the international flow of agricultural and other commodities that may result in a corresponding negative effect on the demand for agricultural and forestry equipment in many areas of the world. John Deere's agricultural equipment sales could be especially harmed by such policies because farm income strongly influences sales of agricultural equipment around the world, including the withdrawal or material modification of the North American Free Trade Agreement. Furthermore, trade restrictions could impede those in developing countries from achieving a higher standard of living, which could negatively impact John Deere's future growth opportunities arising from increasing global demand for food, fuel and infrastructure. Additionally, changes in government farm programs and policies, including direct payment and other subsidies, can significantly influence demand for agricultural equipment. Furthermore, sanctions and export controls imposed by the U.S. and other governments restricting or prohibiting transactions with certain persons, including financial institutions, to certain countries, or involving certain products expose John Deere to potential criminal and civil sanctions. Embargoes and sanctions laws are changing rapidly for certain geographies, including with respect to Russia, Cuba, Iran, and Sudan. Although John Deere has a compliance program in place designed to reduce the likelihood of potential violations of import and export laws and sanctions, violations of these laws or sanctions could have an adverse effect on John Deere's reputation, business and results of operations and financial condition.

Changes in government banking, monetary and fiscal policies could have a negative effect on John Deere.

Policies of the U.S. and other governments regarding banking, monetary and fiscal policies intended to promote or maintain liquidity, stabilize financial markets and/or address local deficit or structural economic issues may not be effective and could have a material impact on John Deere's customers and markets. John Deere's operations and results could also be impacted by financial regulatory reform that could have an adverse effect on the financial services segment and on John Deere's customers by limiting their ability to enter into hedging transactions or to finance purchases of John Deere products. Government policies on spending can also affect John Deere, especially the construction and forestry segment due to the impact of government spending on infrastructure development. The Dodd-Frank Wall Street Reform and Consumer Protection Act and its regulations impose, or may impose, additional reporting, stress testing, leverage, liquidity, capital requirements and other supervisory and financial standards and restrictions that increase regulatory compliance costs for John Deere and John Deere's financial services operations and could adversely affect John Deere and its financial services segment's funding activities, liquidity, structure (including relationships with affiliates), operations and performance. Moreover, John Deere's operations, including those outside of the United States, may also be impacted by non-U.S. regulatory reforms being implemented to further regulate non-U.S. financial institutions and markets.

Changes in tax rates, tax legislation, or exposure to additional tax liabilities could have a negative effect on John Deere.

John Deere is subject to income taxes in the U.S. and numerous foreign jurisdictions. The Company's domestic and international tax liabilities are dependent upon the location of earnings among these different jurisdictions. Tax rates in various jurisdictions may be subject to significant change. John Deere's effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. If the Company's effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, John Deere's operating results, cash flows and financial condition could be adversely affected.

Changing worldwide demand for food and different forms of bio-energy could have an effect on the price of farm commodities and consequently the demand for certain John Deere equipment and could also result in higher research and development costs related to changing machine fuel requirements.

Changing worldwide demand for farm outputs to meet the world's growing food and bio-energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which directly affect sales of agricultural equipment. Lower farm commodity prices directly affect farm incomes, which could negatively affect sales of agricultural equipment. While higher commodity prices benefit John Deere's crop-producing agricultural equipment customers, higher commodity prices also could result in greater feed costs for livestock and poultry producers which in turn may result in lower levels of equipment purchased by these customers. Furthermore, changing bio-fuel demands may cause farmers to change the types or quantities of the crops they raise, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for John Deere's diesel-fueled equipment and result in higher research and development costs related to equipment fuel standards.

As John Deere seeks to expand its business globally, growth opportunities may be impacted by greater political, economic and social uncertainty and the continuing and accelerating globalization of businesses could significantly change the dynamics of John Deere's competition, customer base and product offerings.

John Deere's efforts to grow its businesses depend to a large extent upon access to additional geographic markets, including, but not limited to, Brazil, China, India and Russia, and its success in developing market share and operating profitably in such markets. In some cases, these countries have greater political and economic volatility, greater vulnerability to infrastructure and labor disruptions and differing local customer product preferences and requirements than John Deere's other markets. Operating and seeking to expand business in a number of different regions and countries exposes John Deere to multiple and potentially conflicting cultural practices, business practices and legal and regulatory requirements that are subject to change, including those related to tariffs and trade barriers, investments, property ownership rights, taxation, sanctions requirements, repatriation of earnings and advanced technologies. Expanding business operations globally also increases exposure to currency fluctuations which can materially affect the

Company's financial results. As these emerging geographic markets become more important to John Deere, its competitors are also seeking to expand their production capacities and sales in these same markets. While John Deere maintains a positive corporate image and the John Deere brand is widely recognized and valued in its traditional markets, the brand is less well known in some emerging markets which could impede John Deere's efforts to successfully compete in these markets. Although John Deere is taking measures to adapt to these changing circumstances, John Deere's reputation and/or business results could be negatively affected should these efforts prove unsuccessful.

John Deere operates in highly competitive markets.

John Deere operates in a variety of highly competitive global and regional markets. John Deere competes worldwide with a number of other manufacturers and distributors that produce and sell similar products. John Deere competes on the basis of product performance, innovation and quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or John Deere's failure to price its products competitively could adversely affect John Deere's business, results of operations and financial condition.

John Deere's business results depend largely on its ability to understand its customers' specific preferences and requirements, and to develop, manufacture and market products that meet customer demand.

John Deere's ability to match new product offerings to diverse global customers' anticipated preferences for different types and sizes of equipment and various equipment features and functionality, at affordable prices, is critical to its success. This requires a thorough understanding of John Deere's existing and potential customers on a global basis, particularly in potentially high-growth and emerging markets, including Brazil, China, India and Russia. Failure to deliver quality products that meet customer needs at competitive prices ahead of competitors could have a significant adverse effect on John Deere's business.

Negative economic conditions and outlook can materially weaken demand for John Deere's equipment and services, limit access to funding and result in higher funding costs.

The demand for John Deere's products and services can be significantly reduced in an economic environment characterized by high unemployment, cautious consumer spending, lower corporate earnings, U.S. budget issues and lower business investment. Negative or uncertain economic conditions causing John Deere's customers to lack confidence in the general economic outlook can significantly reduce their likelihood of purchasing John Deere's equipment. Sustained negative economic conditions and outlook affect housing starts and other construction which dampens demand for certain construction equipment. John Deere's turf operations and its construction and forestry business are dependent on construction activity and general economic conditions. Decreases in construction activity and housing starts could have a material adverse effect on John Deere's results of operations. If negative economic conditions affect the overall farm economy, there could be a similar effect on John Deere's agricultural equipment sales. In addition, uncertain or negative outlook with respect to ongoing U.S. budget issues as well as general economic conditions and outlook can cause significant changes in market liquidity conditions. Such changes could impact access to funding and associated funding costs, which could reduce the Company's earnings and cash flows. Additionally, the Company's investment management activities could be adversely affected by changes in the equity and bond markets, which would negatively affect earnings.

In addition, demand for John Deere's products and services can be significantly reduced by concerns regarding the diverse economic and political circumstances of the individual countries in the eurozone, the debt burden of certain eurozone countries and their ability to meet future financial obligations, uncertainty related to the anticipated withdrawal of the United Kingdom from the European Union, the risk that one or more other European Union countries could come under increasing pressure to leave the European Union, or the long term stability of the euro as a single common currency. Persistent disparity with respect to the widely varying economic conditions within the individual countries in the eurozone, and its implications for the euro as well as market perceptions concerning these and related issues, could adversely affect the value of the Company's euro-denominated assets and obligations, have an adverse effect on demand for John Deere's products and services in the eurozone and have an adverse effect on financial markets in Europe and globally. More specifically, it could affect the ability of John Deere's customers, suppliers and lenders to finance their respective businesses, to access liquidity at acceptable financing costs, if at all, and the availability of supplies and materials and on the demand for John Deere's products.

The Company's consolidated financial results are reported in U.S. dollars while certain assets and other reported items are denominated in the currencies of other countries, creating currency exchange and translation risk.

John Deere operates in many areas of the world, involving transactions denominated in a variety of currencies. John Deere is subject to currency exchange risk to the extent that its costs are denominated in currencies other than those in which John Deere earns revenues.

Additionally, the reporting currency for the Company's consolidated financial statements is the U.S. dollar. Certain of John Deere's assets, liabilities, expenses and revenues are denominated in other countries' currencies. Those assets, liabilities, expenses and revenues are translated into U.S. dollars at the applicable exchange rates to prepare the Company's consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items as reflected in the Company's consolidated financial statements, even if their value remains unchanged in their original currency. Substantial fluctuations in the value of the U.S. dollar could have a significant impact on John Deere's results.

Because the financial services segment provides financing for a significant portion of John Deere's sales worldwide, John Deere's operations and financial results could be impacted materially should negative economic conditions affect the financial industry.

Negative economic conditions can have an adverse effect on the financial industry in which the financial services segment operates. The financial services segment provides financing for a significant portion of John Deere's sales worldwide. The financial services segment is exposed to the risk that customers and others will default on contractual obligations. The financial services segment may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. The financial services segment's inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on John Deere's business. The financial services segment's liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact the financial services segment's write-offs and provision for credit losses. The financial services segment may also experience residual value losses that exceed its expectations caused by lower pricing for used equipment and higher than expected equipment returns at lease maturity.

John Deere's equipment operations and financial services segments are subject to interest rate risks. Changes in interest rates can reduce demand for equipment, adversely affect interest margins and limit the ability to access capital markets while increasing borrowing costs.

Rising interest rates could have a dampening effect on overall economic activity and/or the financial condition of John Deere's customers, either or both of which could negatively affect customer demand for John Deere equipment and customers' ability to repay obligations to John Deere. In addition, credit market dislocations could have an impact on funding costs which are very important to John Deere's financial services segment because such costs affect the segment's ability to offer customers competitive financing rates. While the Company strives to match the interest rate characteristics of our financial assets and liabilities, changing interest rates could have an adverse effect on the Company's net interest rate margin—the difference between the yield the Company earns on its assets and the interest rates the Company pays for funding, which could in turn affect the Company's net interest income and earnings. Actions by credit rating agencies, such as downgrades or negative changes to ratings outlooks, can affect the availability and cost of funding for the Company and can increase the Company's cost of capital and hurt its competitive position.

The potential loss of John Deere intellectual property through trade secret theft, infringement of patents, trademark counterfeiting, or other loss of rights to exclusive use of John Deere intellectual property may have a material adverse effect on the Company. Infringement of the intellectual property rights of others by Deere may also have a material adverse effect on the Company.

John Deere relies on a combination of patents, trademarks, trade secret laws, and confidentiality agreements to protect our intellectual property rights. In particular, we heavily rely on certain John Deere trademarks, which contribute to John Deere's identity and the recognition of its products and services, including but not limited to the ''John Deere'' mark, the leaping deer logo, the ''Nothing Runs Like a Deere'' slogan and the prefix ''JD'' associated with many products and the green and yellow equipment colors. These trademarks, as well as the many patents used in our products, are integral to the John Deere business, and their loss could have a material adverse effect on the Company.

Additionally, third parties may initiate litigation to challenge the validity of our patents or allege that we infringe their patents. We may incur substantial costs if our competitors or other third parties initiate such litigation, or if we initiate any proceedings to protect our proprietary rights. If the outcome of any such litigation is unfavorable to us, our business could be adversely affected. Similarly, disputes may arise regarding whether our products or technologies infringe the proprietary rights of others. Any such infringement could cause third parties, including our competitors, to bring claims against us, resulting in significant costs, possible damages and substantial uncertainty.

John Deere is subject to extensive anti-corruption laws and regulations.

John Deere's global operations must comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Recently, there has been a substantial increase in the global enforcement of anti-corruption laws. Although John Deere has a compliance program in place designed to reduce the likelihood of potential violations of such laws, violations of these laws could result in criminal or civil sanctions and have an adverse effect on John Deere's reputation, business and results of operations and financial condition.

John Deere's business may be directly and indirectly affected by unfavorable weather conditions or natural disasters that reduce agricultural production and demand for agriculture and turf equipment.

Poor or unusual weather conditions, particularly during the planting and early growing season, can significantly affect the purchasing decisions of John Deere's customers, particularly the purchasers of agriculture and turf equipment. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times, and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges can also cause crop failure or decreased yields, and may also affect disease incidence. Temperature affects the rate of growth, crop maturity and crop

quality. Natural calamities such as regional floods, hurricanes or other storms, and droughts can have significant negative effects on agricultural and livestock production. The resulting negative impact on farm income can strongly affect demand for agricultural equipment. Sales of turf equipment, particularly during the important spring selling season, can be dramatically impacted by weather. Adverse weather conditions in a particular geographic region may adversely affect sales of some turf equipment. Drought conditions can adversely affect sales of certain mowing equipment and unusually rainy weather can similarly cause lower sales volumes.

Changes in the availability and price of certain raw materials, components and whole goods could result in production disruptions or increased costs and lower profits on sales of John Deere products.

John Deere requires access to various raw materials, components and whole goods at competitive prices to manufacture and distribute its products. Changes in the availability and price of these raw materials, components and whole goods, which have fluctuated significantly in the past and are more likely to fluctuate during times of economic volatility and regulatory instability, can significantly increase the costs of production which could have a material negative effect on the profitability of the business, particularly if John Deere, due to pricing considerations or other factors, is unable to recover the increased costs from its customers. John Deere relies on suppliers to acquire raw materials, components and whole goods required to manufacture its products. Certain components and parts used in John Deere's products are available from a single supplier and cannot be re-sourced quickly. Supply chain disruptions due to supplier financial distress, capacity constraints, labor shortages, business continuity, quality, delivery or disruptions due to weather-related or natural disaster events could affect John Deere's operations and profitability.

John Deere's operations, suppliers and customers are subject to and affected by increasingly rigorous environmental, health and safety laws and regulations of federal, state and local authorities in the U.S. and various regulatory authorities with jurisdiction over John Deere's international operations. In addition, private civil litigation on these subjects has increased, primarily in the U.S.

Enforcement actions arising from violations of environmental, health and safety laws or regulations can lead to investigation and defense costs, and result in significant fines or penalties. In addition, new or more stringent requirements of governmental authorities could prevent or restrict John Deere's operations, or those of our suppliers and customers, require significant expenditures to achieve compliance and/or give rise to civil or criminal liability. There can be no assurance that violations of such legislation and/or regulations, or private civil claims for damages to property or personal injury arising from the environmental, health or safety impacts of John Deere's operations, or those of our suppliers and customers, would not have consequences that result in a material adverse effect on John Deere's business, financial condition or results of operations.

Increasingly stringent engine emission regulations could impact John Deere's ability to manufacture and distribute certain engines or equipment, which could negatively affect business results.

John Deere's equipment operations must meet increasingly stringent engine emission reduction regulations throughout the world, including the European Union's Stage V standard. In addition, governmental agencies throughout the world are enacting more stringent laws and regulations to reduce off-road engine emissions. These laws and regulations are applicable to engines manufactured by John Deere, including those used in John Deere agriculture and construction and forestry equipment. John Deere has incurred and continues to incur substantial research and development costs related to the implementation of these more rigorous laws and regulations. While John Deere has developed and is executing comprehensive plans to meet these requirements and does not currently foresee significant obstacles that would prevent timely compliance, these plans are subject to many variables that could delay or otherwise affect John Deere's ability to manufacture and distribute certain equipment or engines, which could negatively impact business results.

John Deere may incur increased costs due to new or more stringent greenhouse gas emission standards designed to address climate change and could be further impacted by physical effects attributed to climate change on its facilities, suppliers and customers.

There is a global political and scientific consensus that emissions of greenhouse gases (GHG) continue to alter the composition of Earth's atmosphere in ways that are affecting and are expected to continue to affect the global climate. These considerations may lead to international, national, regional or local legislative or regulatory responses in the future. Various stakeholders, including legislators and regulators, shareholders and non-governmental organizations, as well as companies in many business sectors, including John Deere, are considering ways to reduce GHG emissions. The regulation of GHG emissions from certain stationary or mobile sources could result in additional costs to John Deere in the form of taxes or emission allowances, facilities improvements and energy costs, which would increase John Deere's operating costs through higher utility, transportation and materials costs. Increased input costs, such as fuel and fertilizer, and compliance-related costs could also impact customer operations and demand for John Deere equipment. Because the impact of any future GHG legislative, regulatory or product standard requirements on John Deere's global businesses and products is dependent on the timing and design of mandates or standards, John Deere is unable to predict its potential impact at this time.

Furthermore, the potential physical impacts of climate change on John Deere's facilities, suppliers and customers and therefore on John Deere's operations are highly uncertain and will be particular to the circumstances developing in various geographical regions. These may include long-term changes in temperature levels and water availability. These potential physical effects may adversely impact the demand for John Deere's products and the cost, production, sales and financial performance of John Deere's operations.

Security breaches and other disruptions to John Deere's information technology infrastructure could interfere with John Deere's operations and could compromise John Deere's and its customers' and suppliers' information, exposing John Deere to liability that would cause John Deere's business and reputation to suffer.

In the ordinary course of business, John Deere relies upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of John Deere equipment and from customers of John Deere's financial services operations. John Deere uses information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, John Deere collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary business information of John Deere's customers and suppliers, as well as personally identifiable information of John Deere's customers and employees, in data centers and on information technology networks. The secure operation of these information technology networks and the processing and maintenance of this information is critical to John Deere's business operations and strategy. Despite security measures and business continuity plans, John Deere's information technology networks and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attacks by cyber criminals or breaches due to employee error or malfeasance or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures, terrorist acts or natural disasters or other catastrophic events. The occurrence of any of these events could compromise John Deere's networks, and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations, and damage John Deere's reputation, which could adversely affect John Deere's business. In addition, as security threats continue to evolve we may need to invest additional resources to protect the security of our systems.

John Deere is subject to governmental laws, regulations and other legal obligations related to privacy and data protection.

The legislative and regulatory framework for privacy and data protection issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. John Deere collects personally identifiable information (PII) and other data as integral parts of its business processes and activities. This data is subject to a variety of U.S. and international laws and regulations, including oversight by various regulatory or other governmental bodies. Many foreign countries and governmental bodies, including the European Union, Canada, and other relevant jurisdictions where we conduct business, have laws and regulations concerning the collection and use of PII and other data obtained from their residents or by businesses operating within their jurisdiction that are more restrictive than those in the U.S. Additionally, in May 2016, the European Union adopted the General Data Protection Regulation that will impose more stringent data protection requirements and will provide for greater penalties for noncompliance beginning in May 2018. Any inability, or perceived inability, to adequately address privacy and data protection concerns, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations (including at newly acquired companies) could result in additional cost and liability to us or company officials, damage our reputation, inhibit sales, and otherwise adversely affect our business.

John Deere's ability to execute its strategy is dependent upon the ability to attract, train and retain qualified personnel.

John Deere's continued success depends, in part, on its ability to identify, attract, motivate, train and retain qualified personnel in key functions. In particular, John Deere is dependent on its ability to identify, attract, motivate, train and retain qualified personnel with the requisite education, background and industry experience. Failure to attract, train and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the allocation of inadequate resources to training, integration and retention of qualified personnel, could impair John Deere's ability to execute its business strategy and could adversely affect John Deere's business. In addition, while John Deere strives to reduce the impact of the departure of employees, John Deere's operations or ability to execute its business strategy may be impacted by the loss of personnel.

Sustained increases in funding obligations under the Company's pension plans may impair the Company's liquidity or financial condition.

The Company maintains certain defined benefit pension plans for certain employees, which impose funding obligations. The Company uses many assumptions in calculating its future payment obligations under the plans. Significant adverse changes in credit or market conditions could result in actual rates of returns on pension investments being lower than expected. The Company may be required to make significant contributions to its pension plans in the future. These factors could significantly increase the Company's payment obligations under the plans and adversely affect its business, results of operations and financial condition.

John Deere may not realize all of the anticipated benefits of our acquisitions, joint ventures or divestitures, or these benefits may take longer to realize than expected.

From time to time, the Company makes strategic acquisitions and divestitures—such as its acquisition of Wirtgen—or participates in joint ventures. Transactions that the Company has entered into, or may enter into in the future, may involve significant challenges and risks, including that the transactions do not advance our business strategy, or fail to produce satisfactory returns on our investment. The Company may encounter difficulties in integrating acquisitions with its operations, in applying internal control processes to these acquisitions, in managing strategic investments, and in assimilating new capabilities to meet the future needs of the Company's business. Integrating acquisitions is often costly and may require significant attention from management. Furthermore, John Deere may not realize all of the anticipated benefits of these transactions, or the realized benefits may be significantly delayed. While our

evaluation of any potential transaction includes business, legal, and financial due diligence with the goal of identifying and evaluating the material risks involved, our due diligence reviews may not identify all of the issues necessary to accurately estimate the cost and potential risks of a particular transaction, including potential exposure to regulatory sanctions resulting from an acquisition target's previous activities or costs associated with any quality issues with an acquisition target's products or services.

The reallocation of radio frequency (RF) spectrums could disrupt or degrade the reliability of John Deere's high precision augmented Global Positioning System (GPS) technology, which could impair John Deere's ability to develop and market GPS-based technology solutions as well as significantly reduce agricultural and construction customers' profitability.

John Deere's current and planned integrated agricultural business and equipment management systems, as well as its fleet management telematics solutions for construction equipment, depend upon the use of RF signals. These signals include, but are not limited to, GPS signals, other GPS-like satellite signals, augmented GPS services and other RF equipment which link equipment, operations, owners, dealers and technicians. These radio services depend on frequency allocations governed by international and national agencies. Any international or national reallocation of frequency bands, including frequency bands segmentation and band spectrum sharing, or other modifications concerning the regulation of frequency bands, could significantly disrupt or degrade the utility and reliability of John Deere's GPS-based products, which could negatively affect John Deere's ability to develop and market GPS-based technology solutions. For John Deere's agricultural customers, the inability to use high-precision augmented GPS signals or other RF signals could result in lower crop yields and higher equipment maintenance, seed, fertilizer, fuel and wage costs. For construction customers, disrupting GPS or RF applications could result in higher fuel and equipment maintenance costs, as well as lower construction design and project management efficiencies. These cost increases could significantly reduce customers' profitability and demand for John Deere products.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

See ''Manufacturing'' in Item 1.

The equipment operations own or lease eleven facilities comprised of two locations supporting centralized parts distribution and nine regional parts depots and distribution centers throughout the U.S. and Canada. These facilities contain approximately 5.4 million square feet of floor space. Outside the U.S. and Canada, the equipment operations also own or lease and occupy four centralized parts distribution centers in Brazil, Germany, India and Russia and regional parts depots and distribution centers in Argentina, Australia, China, Mexico, South Africa, Sweden and the United Kingdom. These facilities contain approximately 3.1 million square feet of floor space. John Deere also owns and leases facilities for the manufacture and distribution of other brands of replacement parts containing approximately 1.3 million square feet.

The Company's administrative offices and research facilities, some of which are owned and some of which are leased by John Deere, contain about 3.8 million square feet of floor space globally and miscellaneous other facilities total 4.2 million square feet globally.

Overall, John Deere owns approximately 59.8 million square feet of facilities and leases approximately 14.9 million additional square feet in various locations.

ITEM 3. LEGAL PROCEEDINGS.

John Deere is subject to various unresolved legal actions which arise in the normal course of its business, the most prevalent of which relate to product liability (including asbestos-related liability), retail credit, employment, patent, and trademark matters. Item 103 of the SEC's Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions that John Deere reasonably believes could exceed $100,000. The following matter is disclosed solely pursuant to that requirement: On July 6, 2017, after self-reporting to the Iowa Department of Natural Resources, John Deere received a Notice of Violation alleging that one Iowa facility location exceeded permitted emission limits. John Deere responded and is actively cooperating with the Iowa Department of Natural Resources to revise the permits and resolve the notice. John Deere believes the reasonably possible range of losses for unresolved legal actions would not have a material effect on its financial statements.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) The Company's common stock is listed on the New York Stock Exchange. See the information concerning quoted prices of the Company's common stock, the number of stockholders and the data on dividends declared and paid per share in Notes 29 and 30 to the Consolidated Financial Statements.

(b) Not applicable.

(c) The Company's purchases of its common stock during the fourth quarter of 2017 were as follows:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (thousands)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (thousands)	Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs (1) (millions)
Jul 31 to Aug 27				24.5
Aug 28 to Sept 24				24.5
Sept 25 to Oct 29				24.5
Total				

(1) During the fourth quarter of 2017, the Company had a share repurchase plan that was announced in December 2013 to purchase up to $8,000 million of shares of the Company's common stock. The maximum number of shares above that may yet be purchased under the $8,000 million plan was based on the end of the fourth quarter closing share price of $133.25 per share. At the end of the fourth quarter of 2017, $3,260 million of common stock remains to be purchased under this plan.

ITEM 6. SELECTED FINANCIAL DATA.

Financial Summary

(Millions of dollars except per share amounts)	October 29 2017	October 30 2016	November 1 2015	November 2 2014	October 27 2013
For the Years Ended:					
Total net sales and revenues	$ 29,738	$ 26,644	$ 28,863	$ 36,067	$ 37,795
Net income attributable to Deere & Company	$ 2,159	$ 1,524	$ 1,940	$ 3,162	$ 3,537
Net income per share — basic	$ 6.76	$ 4.83	$ 5.81	$ 8.71	$ 9.18
Net income per share — diluted	$ 6.68	$ 4.81	$ 5.77	$ 8.63	$ 9.09
Dividends declared per share	$ 2.40	$ 2.40	$ 2.40	$ 2.22	$ 1.99
At Year End:					
Total assets	$ 65,786	$ 57,918	$ 57,883	$ 61,267	$ 59,454
Long-term borrowings	$ 25,891	$ 23,703	$ 23,775	$ 24,318	$ 21,518

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

See the information under the caption ''Management's Discussion and Analysis'' on pages 19 – 28.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to a variety of market risks, including interest rates and currency exchange rates. The Company attempts to actively manage these risks. See the information under ''Management's Discussion and Analysis'' beginning on page 19 and in Note 27 to the Consolidated Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See the Consolidated Financial Statements and notes thereto and supplementary data on pages 29 – 66.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Company's principal executive officer and its principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) were effective as of October 29, 2017, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation in accordance with generally accepted accounting principles.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 29, 2017, using the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management believes that, as of October 29, 2017, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. That report is included herein.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information regarding directors in the definitive proxy statement expected to be filed no later than January 12, 2018 (proxy statement), under the captions ''Election of Directors,'' and in the second bullet point in the ''Audit Review Committee'' item under the caption ''Board Committees,'' is incorporated herein by reference. Information regarding executive officers is presented in Item 1 of this report under the caption ''Executive Officers of the Registrant.''

The Company has adopted a code of ethics that applies to its executives, including its principal executive officer, principal financial officer and principal accounting officer. This code of ethics and the Company's corporate governance policies are posted on the Company's website at http://www.JohnDeere.com/Governance. The Company intends to satisfy disclosure requirements regarding amendments to or waivers from its code of ethics by posting such information on this website. The charters of the Audit Review, Corporate Governance, Compensation and Finance committees of the Company's Board of Directors are available on the Company's website as well. This information is also available in print free of charge to any person who requests it.

ITEM 11. EXECUTIVE COMPENSATION.

The information in the proxy statement under the captions ''Compensation of Directors,'' ''Compensation Discussion & Analysis,'' ''Compensation Committee Report'' and ''Executive Compensation Tables'' is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

(a) *Securities authorized for issuance under equity compensation plans.*

Equity compensation plan information in the proxy statement under the caption ''Equity Compensation Plan Information'' is incorporated herein by reference.

(b) *Security ownership of certain beneficial owners.*

The information on the security ownership of certain beneficial owners in the proxy statement under the caption ''Security Ownership of Certain Beneficial Owners and Management'' is incorporated herein by reference.

(c) *Security ownership of management.*

The information on shares of common stock of the Company beneficially owned by, and under option to (i) each director, (ii) certain named executive officers and (iii) the directors and officers as a group, contained in the proxy statement under the captions ''Security Ownership of Certain Beneficial Owners and Management'' and ''Executive Compensation Tables - Outstanding Equity Awards at Fiscal 2017 Year-End'' is incorporated herein by reference.

(d) *Change in control.*

None.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information in the proxy statement under the captions ''Our Values,'' ''Director Independence'' and ''Review and Approval of Related Person Transactions'' is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information in the proxy statement under the caption ''Fees Paid to the Independent Registered Public Accounting Firm'' is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

See the ''Index to Exhibits'' on pages 68 – 70 of this report

Certain instruments relating to long-term borrowings, constituting less than 10 percent of registrant's total assets, are not filed as exhibits herewith pursuant to Item 601(b)4(iii)(A) of Regulation S-K. Registrant agrees to file copies of such instruments upon request of the Commission.

Financial Statement Schedules Omitted

The following schedules for the Company and consolidated subsidiaries are omitted because of the absence of the conditions under which they are required: I, III, IV and V.

RESULTS OF OPERATIONS FOR THE YEARS ENDED OCTOBER 29, 2017, OCTOBER 30, 2016, AND NOVEMBER 1, 2015

OVERVIEW

Organization

The company's equipment operations generate revenues and cash primarily from the sale of equipment to John Deere dealers and distributors. The equipment operations manufacture and distribute a full line of agricultural equipment; a variety of commercial and consumer equipment; and a broad range of equipment for construction and forestry. The company's financial services primarily provide credit services, which mainly finance sales and leases of equipment by John Deere dealers and trade receivables purchased from the equipment operations. In addition, financial services offers extended equipment warranties. The information in the following discussion is presented in a format that includes information grouped as consolidated, equipment operations, and financial services. The company also views its operations as consisting of two geographic areas, the U.S. and Canada, and outside the U.S. and Canada. The company's operating segments consist of agriculture and turf, construction and forestry, and financial services.

Trends and Economic Conditions

The company's agriculture and turf equipment sales increased 9 percent in 2017 and are projected to increase about 9 percent for 2018. Industry agricultural machinery sales in the U.S. and Canada for 2018 are forecast to increase 5 to 10 percent, compared to 2017. Industry sales in the European Union (EU)28 member nations are forecast to increase approximately 5 percent in 2018, while South American industry sales are projected to be about the same or increase 5 percent from 2017 levels. Asian sales are forecast to be about the same in 2018. Industry sales of turf and utility equipment in the U.S. and Canada are expected to be approximately the same for 2018. The company's construction and forestry sales increased 17 percent in 2017 and are forecast to increase about 69 percent in 2018. The Wirtgen acquisition is expected to add 54 percent to the construction and forestry annual sales forecast (see Note 30). Global forestry industry sales are expected to be about the same to 5 percent higher in 2018, compared to 2017. Net income of the company's financial services operations attributable to Deere & Company in 2018 is expected to be approximately $515 million.

Items of concern include the uncertainty of the effectiveness of governmental actions in respect to monetary and fiscal policies, the impact of sovereign debt, eurozone issues, capital market disruptions, trade agreements, changes in demand and pricing for used equipment, and geopolitical events. Significant fluctuations in foreign currency exchange rates and volatility in the price of many commodities could also impact the company's results.

The company completed a successful year as markets for farm and construction equipment improved. Sales of farm machinery in South America made especially strong gains. The Wirtgen acquisition was finalized in December, which will establish the company as a more prominent participant in the global construction equipment markets. The company is confident in the present course and believes it is positioned to deliver stronger, more consistent results in the future.

2017 COMPARED WITH 2016

CONSOLIDATED RESULTS

Worldwide net income attributable to Deere & Company in 2017 was $2,159 million, or $6.68 per share diluted ($6.76 basic), compared with $1,524 million, or $4.81 per share diluted ($4.83 basic), in 2016. Worldwide net sales and revenues increased 12 percent to $29,738 million in 2017, compared with $26,644 million in 2016. Net sales of the worldwide equipment operations rose 11 percent in 2017 to $25,885 million from $23,387 million last year. Sales included price realization of 1 percent and a favorable currency translation effect of 1 percent. Equipment net sales in the United States and Canada increased 5 percent for 2017. Outside the U.S. and Canada, net sales increased 20 percent for the year, with a favorable currency translation effect of 1 percent for 2017.

Worldwide equipment operations had an operating profit of $2,821 million in 2017, compared with $1,880 million in 2016. The operating profit increase was primarily due to higher shipment volumes, a gain on the sale of the remaining interest in SiteOne Landscape Supply, Inc. (SiteOne) (see Note 5), price realization, and a favorable product mix, partially offset by increases in production costs, selling, administrative and general expenses, and warranty related expenses.

Net income of the company's equipment operations was $1,707 million for 2017, compared with $1,058 million in 2016. The operating factors mentioned above affected the results.

The financial services operations reported net income attributable to Deere & Company in 2017 of $477 million, compared with $468 million in 2016. The increase was largely due to lower losses on lease residual values, partially offset by less favorable financing spreads and higher selling, administrative and general expenses. Additional information is presented in the following discussion of the "Worldwide Financial Services Operations."

The cost of sales to net sales ratio for 2017 was 77.0 percent, compared with 78.0 percent last year. The improvement was due primarily to price realization and a favorable product mix, partially offset by increases in production costs and warranty related expenses.

Finance and interest income increased in 2017 due to a larger average credit portfolio and higher average interest rates. Other income increased due primarily to the gain on the sale of the remaining interest in SiteOne (see Note 5). Selling, administrative and general expenses increased due primarily to higher incentive compensation expense, higher commissions paid to dealers on direct sales, and expenses related to voluntary employee-separation programs. Interest expense increased due to higher average interest rates and higher average borrowings. Other operating expenses increased primarily due to higher depreciation of equipment on operating leases, partially offset by lower losses on lease residual values.

The company has several defined benefit pension plans and defined benefit health care and life insurance plans. The company's postretirement benefit costs for these plans in 2017 were $347 million, compared with $312 million in 2016. The long-term expected return on plan assets, which is reflected in these costs, was an expected gain of 7.2 percent in 2017 and

7.3 percent in 2016, or $807 million in 2017 and $810 million in 2016. The actual return was a gain of $1,563 million in 2017 and $645 million in 2016. In 2018, the expected return will be approximately 6.8 percent. The company's postretirement costs in 2018 are expected to increase approximately $10 million. The company makes any required contributions to the plan assets under applicable regulations and voluntary contributions from time to time based on the company's liquidity and ability to make tax-deductible contributions. Total company contributions to the plans were $428 million in 2017 and $127 million in 2016, which include direct benefit payments for unfunded plans. These contributions also included voluntary contributions to plan assets of $301 million in 2017 and $3 million in 2016. Total company contributions in 2018 are expected to be approximately $137 million, which are primarily direct benefit payments for unfunded plans. The company has no significant required contributions to U.S. pension plan assets in 2018 under applicable funding regulations. See the discussion in ''Critical Accounting Policies'' for more information about postretirement benefit obligations.

BUSINESS SEGMENT AND GEOGRAPHIC AREA RESULTS

The following discussion relates to operating results by reportable segment and geographic area. Operating profit is income before certain external interest expense, certain foreign exchange gains or losses, income taxes, and corporate expenses. However, operating profit of the financial services segment includes the effect of interest expense and foreign currency exchange gains or losses.

Worldwide Agriculture and Turf Operations

The agriculture and turf segment had an operating profit of $2,484 million for the year, compared with $1,700 million in 2016. Net sales increased 9 percent in 2017 due to higher shipment volumes, price realization, and the favorable effects of currency translation. Operating profit was higher due primarily to increased shipment volumes, a gain on the sale of the remaining interest in SiteOne (see Note 5), price realization, and a favorable sales mix, partially offset by increases in production costs, selling, administrative and general expenses, and warranty related expenses.

Worldwide Construction and Forestry Operations

The construction and forestry segment had an operating profit of $337 million in 2017, compared with $180 million in 2016. Net sales increased 17 percent for the year on account of higher shipment volumes, price realization, and the favorable effects of currency translation. Operating profit increased mainly attributable to improved shipment volumes and price realization, partially offset by higher warranty expenses, increased selling, administrative and general expenses, and higher production costs.

Worldwide Financial Services Operations

The operating profit of the financial services segment was $722 million in 2017, compared with $709 million in 2016. The increase was largely due to lower losses on lease residual values, partially offset by less favorable financing spreads and higher selling, administrative and general expenses. Total revenues of the financial services operations, including intercompany revenues, increased 9 percent in 2017. The average balance of receivables and leases financed was 1 percent higher in 2017, compared with 2016. Interest expense increased 25 percent in 2017 as a result of higher average borrowing rates. The financial services operations' ratio of earnings to fixed charges was 2.12 to 1 in 2017, compared with 2.35 to 1 in 2016.

Equipment Operations in U.S. and Canada

The equipment operations in the U.S. and Canada had an operating profit of $1,724 million in 2017, compared with $1,305 million in 2016. The increase was due primarily to higher shipment volumes, a gain on the sale of the remaining interest in SiteOne (see Note 5), a favorable sales mix, and price realization, partially offset by increases in production costs, selling, administrative and general expenses, and warranty related expenses. Net sales increased 5 percent due primarily to higher shipment volumes. The physical volume of sales increased 5 percent, compared with 2016.

Equipment Operations outside U.S. and Canada

The equipment operations outside the U.S. and Canada had an operating profit of $1,097 million in 2017, compared with $575 million in 2016. The increase was due primarily to higher shipment volumes and price realization, partially offset by higher production costs and increased selling, administrative and general expenses. Net sales increased 20 percent in 2017 compared to 2016. The increase was primarily the result of higher shipment volumes, price realization, and the favorable effects of foreign currency translation. The physical volume of sales increased 16 percent, compared with 2016.

MARKET CONDITIONS AND OUTLOOK

Company equipment sales are projected to increase about 22 percent for fiscal year 2018 and increase by about 38 percent for the first quarter, compared with the same periods in 2017. Included in the forecast is a positive foreign currency translation effect of about 2 percent for the year and about 3 percent for the first quarter. Net sales and revenues are projected to increase about 19 percent for fiscal 2018, with net income attributable to Deere & Company of about $2.6 billion.

The acquisition of the Wirtgen Group, which closed in December 2017, is forecast to contribute about $3.1 billion in net sales in fiscal 2018 (see Note 30). Wirtgen is expected to add about 12 percent to the company's sales for the full year and about 6 percent for the first quarter in comparison with 2017. After estimated expenses for purchase accounting and transaction costs, Wirtgen is expected to contribute about $75 million to operating profit and about $25 million to net income in fiscal 2018.

Agriculture and Turf. The company's worldwide sales of agriculture and turf equipment are forecast to increase by about 9 percent for fiscal year 2018, including a positive currency translation effect of about 2 percent. Industry sales for agricultural equipment in the U.S. and Canada are forecast to be up 5 to 10 percent for 2018, supported by higher demand for large equipment. Full year 2018 industry sales in the EU28 member nations are forecast to increase about 5 percent due to improving conditions in the dairy and livestock sectors. South American industry sales of tractors and combines are projected to be about the same to 5 percent higher as a result of continued positive conditions, particularly in Argentina. Asian sales are projected to be about the same with strength in India offsetting weakness in China. Industry sales of turf and utility equipment in the U.S. and Canada are expected to be about the

same for 2018. The company's turf sales are expected to outperform the industry owing to the success of new products.

Construction and Forestry. The company's worldwide sales of construction and forestry equipment are anticipated to increase about 69 percent for 2018, including a positive currency translation effect of about 1 percent. The Wirtgen acquisition is expected to add about 54 percent to the segment's sales forecast for the year (see Note 30). The outlook reflects moderate economic growth worldwide, including higher housing starts in the U.S. and increased activity in the oil and gas sector. In forestry, global industry sales are expected to be about the same to 5 percent higher than in 2017, mainly as a result of improved lumber prices in North America.

Financial Services. Fiscal year 2018 net income attributable to Deere & Company for the financial services operations is expected to be approximately $515 million. The outlook reflects a higher average portfolio, partially offset by increased selling, administrative and general expenses.

SAFE HARBOR STATEMENT

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements under "Overview," "Market Conditions and Outlook," and other forward-looking statements herein that relate to future events, expectations, and trends involve factors that are subject to change, and risks and uncertainties that could cause actual results to differ materially. Some of these risks and uncertainties could affect particular lines of business, while others could affect all of the company's businesses.

The company's agricultural equipment business is subject to a number of uncertainties including the factors that affect farmers' confidence and financial condition. These factors include demand for agricultural products, world grain stocks, weather conditions, soil conditions, harvest yields, prices for commodities and livestock, crop and livestock production expenses, availability of transport for crops, the growth and sustainability of non-food uses for some crops (including ethanol and biodiesel production), real estate values, available acreage for farming, the land ownership policies of governments, changes in government farm programs and policies, international reaction to such programs, changes in environmental regulations and their impact on farming practices; changes in and effects of crop insurance programs, global trade agreements, animal diseases and their effects on poultry, beef and pork consumption and prices, crop pests and diseases, and the level of farm product exports (including concerns about genetically modified organisms).

Factors affecting the outlook for the company's turf and utility equipment include consumer confidence, weather conditions, customer profitability, consumer borrowing patterns, consumer purchasing preferences, housing starts, infrastructure investment, spending by municipalities and golf courses, and consumable input costs.

Consumer spending patterns, real estate and housing prices, the number of housing starts, interest rates and the levels of public and non-residential construction are important to sales and results of the company's construction and forestry equipment. Prices for pulp, paper, lumber and structural panels are important to sales of forestry equipment.

All of the company's businesses and its results are affected by general economic conditions in the global markets and industries in which the company operates; customer confidence in general economic conditions; government spending and taxing; foreign currency exchange rates and their volatility, especially fluctuations in the value of the U.S. dollar; interest rates; inflation and deflation rates; changes in weather patterns; the political and social stability of the global markets in which the company operates; the effects of, or response to, terrorism and security threats; wars and other conflicts; natural disasters; and the spread of major epidemics.

Significant changes in market liquidity conditions, changes in the company's credit ratings and any failure to comply with financial covenants in credit agreements could impact access to funding and funding costs, which could reduce the company's earnings and cash flows. Financial market conditions could also negatively impact customer access to capital for purchases of the company's products and customer confidence and purchase decisions, borrowing and repayment practices, and the number and size of customer loan delinquencies and defaults. A debt crisis, in Europe or elsewhere, could negatively impact currencies, global financial markets, social and political stability, funding sources and costs, asset and obligation values, customers, suppliers, demand for equipment, and company operations and results. The company's investment management activities could be impaired by changes in the equity, bond and other financial markets, which would negatively affect earnings.

The anticipated withdrawal of the United Kingdom from the European Union and the perceptions as to the impact of the withdrawal may adversely affect business activity, political stability and economic conditions in the United Kingdom, the European Union and elsewhere. The economic conditions and outlook could be further adversely affected by (i) the uncertainty concerning the timing and terms of the exit, (ii) new or modified trading arrangements between the United Kingdom and other countries, (iii) the risk that one or more other European Union countries could come under increasing pressure to leave the European Union, or (iv) the risk that the euro as the single currency of the Eurozone could cease to exist. Any of these developments, or the perception that any of these developments are likely to occur, could affect economic growth or business activity in the United Kingdom or the European Union, and could result in the relocation of businesses, cause business interruptions, lead to economic recession or depression, and impact the stability of the financial markets, availability of credit, currency exchange rates, interest rates, financial institutions, and political, financial and monetary systems. Any of these developments could affect our businesses, liquidity, results of operations and financial position.

Additional factors that could materially affect the company's operations, access to capital, expenses and results include changes in, uncertainty surrounding and the impact of governmental trade, banking, monetary and fiscal policies, including financial regulatory reform and its effects on the consumer finance industry, derivatives, funding costs and other areas, and governmental programs, policies, tariffs and sanctions in particular jurisdictions or for the benefit of certain industries or sectors; actions by central banks; actions by financial and securities regulators; actions by environmental, health and safety regulatory agencies, including those related to engine emissions,

carbon and other greenhouse gas emissions, noise and the effects of climate change; changes to GPS radio frequency bands or their permitted uses; changes in labor regulations; changes to accounting standards; changes in tax rates, estimates, laws, and regulations and company actions related thereto; compliance with U.S. and foreign laws when expanding to new markets and otherwise; and actions by other regulatory bodies.

Other factors that could materially affect results include production, design and technological innovations and difficulties, including capacity and supply constraints and prices; the loss of or challenges to intellectual property rights whether through theft, infringement, counterfeiting or otherwise; the availability and prices of strategically sourced materials, components and whole goods; delays or disruptions in the company's supply chain or the loss of liquidity by suppliers; disruptions of infrastructures that support communications, operations or distribution; the failure of suppliers or the company to comply with laws, regulations and company policy pertaining to employment, human rights, health, safety, the environment, anti-corruption, privacy and data protection, and other ethical business practices; events that damage the company's reputation or brand; significant investigations, claims, lawsuits or other legal proceedings; start-up of new plants and products; the success of new product initiatives; changes in customer product preferences and sales mix; gaps or limitations in rural broadband coverage, capacity and speed needed to support technology solutions; oil and energy prices, supplies and volatility; the availability and cost of freight; actions of competitors in the various industries in which the company competes, particularly price discounting; dealer practices especially as to levels of new and used field inventories; changes in demand and pricing for used equipment and resulting impacts on lease residual values; labor relations and contracts; changes in the ability to attract, train and retain qualified personnel; acquisitions and divestitures of businesses and the failure or delay in closing such transactions; greater than anticipated transaction costs; the integration of new businesses; the failure or delay in realizing anticipated benefits of acquisitions, joint ventures or divestitures; the implementation of organizational changes; the failure to realize anticipated savings or benefits of cost reduction, productivity, or efficiency efforts; difficulties related to the conversion and implementation of enterprise resource planning systems; security breaches, cybersecurity attacks, technology failures and other disruptions to the company's and suppliers' information technology infrastructure; changes in company declared dividends and common stock issuances and repurchases; changes in the level and funding of employee retirement benefits; changes in market values of investment assets, compensation, retirement, discount and mortality rates which impact retirement benefit costs; and significant changes in health care costs.

The liquidity and ongoing profitability of John Deere Capital Corporation and other credit subsidiaries depend largely on timely access to capital in order to meet future cash flow requirements, and to fund operations, costs and purchases of the company's products. If general economic conditions deteriorate or capital markets become more volatile, funding could be unavailable or insufficient. Additionally, customer confidence levels may result in declines in credit applications and increases in delinquencies and default rates, which could materially impact write-offs and provisions for credit losses.

The company's outlook is based upon assumptions relating to the factors described above, which are sometimes based upon estimates and data prepared by government agencies. Such estimates and data are often revised. The company, except as required by law, undertakes no obligation to update or revise its outlook, whether as a result of new developments or otherwise. Further information concerning the company and its businesses, including factors that could materially affect the company's financial results, is included in the company's other filings with the SEC.

2016 COMPARED WITH 2015

CONSOLIDATED RESULTS

Worldwide net income attributable to Deere & Company in 2016 was $1,524 million, or $4.81 per share diluted ($4.83 basic), compared with $1,940 million, or $5.77 per share diluted ($5.81 basic), in 2015. Worldwide net sales and revenues decreased 8 percent to $26,644 million in 2016, compared with $28,863 million in 2015. Net sales of the worldwide equipment operations declined 9 percent in 2016 to $23,387 million from $25,775 million in 2015. 2016 sales included price realization of 2 percent and an unfavorable currency translation effect of 2 percent. Equipment net sales in the United States and Canada decreased 13 percent in 2016. Outside the U.S. and Canada, net sales decreased 3 percent in 2016, with an unfavorable currency translation effect of 4 percent.

Worldwide equipment operations had an operating profit of $1,880 million in 2016, compared with $2,177 million in 2015. The operating profit decline was primarily on account of reduced shipment volumes, the unfavorable effects of foreign currency exchange, and a less favorable product mix, partially offset by price realization, lower production costs, lower selling, administrative and general expenses, and a gain on the sale of a partial interest in the unconsolidated affiliate SiteOne (see Note 5).

Net income of the company's equipment operations was $1,058 million for 2016, compared with $1,308 million in 2015. In addition to the operating factors mentioned above, a higher effective tax rate in 2016 reduced net income.

Net income of the financial services operations attributable to Deere & Company in 2016 decreased to $468 million, compared with $633 million in 2015. The decline was primarily due to less favorable financing spreads, higher losses on lease residual values (see Note 5), and a higher provision for credit losses. The results in 2015 also benefited from a gain on the sale of the crop insurance business (see Note 4). Additional information is presented in the following discussion of the "Worldwide Financial Services Operations."

The cost of sales to net sales ratio for 2016 was 78.0 percent, compared with 78.1 percent in 2015. The decrease was due primarily to price realization and lower production costs, largely offset by the unfavorable effects of foreign currency exchange and the impact of a less favorable product mix.

Finance and interest income increased in 2016 due to a larger average leasing portfolio, partially offset by a lower average financing receivables portfolio. Other income increased due primarily to a gain on the sale of a partial interest in SiteOne

(see Note 5) and was primarily offset by the gain on the sale of the crop insurance operations in 2015 (see Note 4). Research and development costs decreased largely due to a lower level of activity and the favorable effects of currency translation. Selling, administrative and general expenses decreased due primarily to lower pension and postretirement benefit expenses, lower incentive compensation expense, and the favorable effects of currency translation, partially offset by a higher provision for credit losses. Interest expense increased due to higher average interest rates, partially offset by lower average borrowings. Other operating expenses increased primarily due to higher depreciation of equipment on operating leases, and higher losses and impairments on lease residual values.

The company has several defined benefit pension plans and defined benefit health care and life insurance plans. The company's postretirement benefit costs for these plans in 2016 were $312 million, compared with $512 million in 2015. The long-term expected return on plan assets, which is reflected in these costs, was an expected gain of 7.3 percent in 2016 and 2015, or $810 million in 2016 and $824 million in 2015. The actual return was a gain of $645 million in 2016 and $606 million in 2015. Total company contributions to the plans were $127 million in 2016 and $131 million in 2015, which include direct benefit payments for unfunded plans. These contributions also included voluntary contributions to plan assets of $3 million in both 2016 and 2015.

BUSINESS SEGMENT AND GEOGRAPHIC AREA RESULTS

Worldwide Agriculture and Turf Operations

The agriculture and turf segment had an operating profit of $1,700 million in 2016, compared with $1,649 million in 2015. Net sales decreased 7 percent in 2016 due to lower shipment volumes and the unfavorable effects of currency translation, partially offset by price realization. Operating profit was higher primarily due to price realization, lower production costs, lower selling, administrative and general expenses, and a gain on the sale of a partial interest in SiteOne (see Note 5), partially offset by lower shipment volumes, unfavorable effects of foreign currency exchange, and a less favorable product mix.

Worldwide Construction and Forestry Operations

The construction and forestry segment had an operating profit of $180 million in 2016, compared with $528 million in 2015. Net sales decreased 18 percent in 2016 largely as a result of lower shipment volumes and higher sales incentive costs. Operating profit declined primarily due to lower shipment volumes and higher sales incentive costs, partially offset by a reduction in both selling, administrative and general expenses and production costs.

Worldwide Financial Services Operations

The operating profit of the financial services segment was $709 million in 2016, compared with $963 million in 2015. The decline was primarily due to less favorable financing spreads, higher losses on lease residual values, and a higher provision for credit losses. Additionally, full year results in 2015 benefited from a gain on the sale of the crop insurance business (see Note 4). Total revenues of the financial services operations, including intercompany revenues, increased 4 percent in 2016. The average balance of receivables and leases financed was 1 percent lower in 2016, compared with 2015. Interest expense increased 18 percent in 2016 as a result of higher average borrowing rates, partially offset by lower average borrowings. The financial services operations' ratio of earnings to fixed charges was 2.35 to 1 in 2016, compared with 3.29 to 1 in 2015.

Equipment Operations in U.S. and Canada

The equipment operations in the U.S. and Canada had an operating profit of $1,305 million in 2016, compared with $1,643 million in 2015. The decline was due primarily to lower shipment volumes, the unfavorable effects of foreign currency exchange, and the impact of a less favorable product mix. The decline was partially offset by price realization, lower production costs, lower selling, administrative and general expenses, and a gain on the sale of a partial interest in SiteOne (see Note 5). Net sales decreased 13 percent due primarily to lower shipment volumes, partially offset by price realization. The physical volume of sales decreased 14 percent, compared with 2015.

Equipment Operations outside U.S. and Canada

The equipment operations outside the U.S. and Canada had an operating profit of $575 million in 2016, compared with $534 million in 2015. The increase was due primarily to price realization, lower production costs, and lower selling, administrative and general expenses, partially offset by the unfavorable effects of foreign currency exchange, the impact of a less favorable product mix, and lower shipment volumes. Net sales were 3 percent lower primarily reflecting the unfavorable effects of foreign currency translation and decreased shipment volumes, partially offset by price realization. The physical volume of sales decreased 2 percent, compared with 2015.

CAPITAL RESOURCES AND LIQUIDITY

The discussion of capital resources and liquidity has been organized to review separately, where appropriate, the company's consolidated totals, equipment operations, and financial services operations.

CONSOLIDATED

Positive cash flows from consolidated operating activities in 2017 were $2,200 million. This resulted primarily from net income adjusted for non-cash provisions and an increase in accounts payable and accrued expenses, which were partially offset by an increase in inventories including equipment transferred to operating leases (see Note 6), an increase in receivables related to sales, and a change in accrued income taxes payable/receivable. Cash outflows from investing activities were $1,644 million in 2017, due primarily to the cost of receivables (excluding receivables related to sales) and cost of equipment on operating leases exceeding the collections of receivables and the proceeds from sales of equipment on operating leases by $1,107 million, purchases of property and equipment of $595 million, and acquisitions of businesses, net of cash acquired, of $284 million, partially offset by proceeds from maturities and sales exceeding purchases of marketable securities by $286 million and sales of businesses and unconsolidated affiliates, net of cash sold, of $114 million (see Note 5). Cash inflows from financing activities were $4,287 million in 2017 due primarily to an increase in borrowings of $4,616 million and proceeds from issuance of common stock (resulting from the exercise of stock options) of $529 million, partially offset by dividends paid of $764 million. Cash and cash equivalents increased $4,999 million during 2017. The increase in cash and cash equivalents was primarily related to the

pending Wirtgen acquisition which closed on December 1, 2017 (see Note 30).

Over the last three years, operating activities have provided an aggregate of $9,728 million in cash. In addition, increases in borrowings were $4,555 million, proceeds from maturities and sales exceeded purchases of marketable securities by $990 million, proceeds from issuance of common stock (resulting from the exercise of stock options) were $737 million, and proceeds from sales of businesses and unconsolidated affiliates were $344 million. The aggregate amount of these cash flows was used mainly to repurchase common stock of $2,982 million, acquire receivables (excluding receivables related to sales) and equipment on operating leases that exceeded collections of receivables and the proceeds from sales of equipment on operating leases by $2,664 million, pay dividends of $2,342 million, purchase property and equipment of $1,933 million, and acquire businesses of $483 million. Cash and cash equivalents increased $5,548 million over the three-year period.

The company has access to most global capital markets at reasonable costs and expects to have sufficient sources of global funding and liquidity to meet its funding needs. Sources of liquidity for the company include cash and cash equivalents, marketable securities, funds from operations, the issuance of commercial paper and term debt, the securitization of retail notes (both public and private markets), and committed and uncommitted bank lines of credit. The company's commercial paper outstanding at October 29, 2017 and October 30, 2016 was $3,439 million and $1,253 million, respectively, while the total cash and cash equivalents and marketable securities position was $9,787 million and $4,789 million, respectively. The amount of the total cash and cash equivalents and marketable securities held by foreign subsidiaries, in which earnings are considered indefinitely reinvested, was $3,386 million and $2,301 million at October 29, 2017 and October 30, 2016, respectively. At October 29, 2017, foreign subsidiaries also held cash of approximately $3,624 million for the Wirtgen acquisition, which closed on December 1, 2017 (see Note 30).

Lines of Credit. The company also has access to bank lines of credit with various banks throughout the world. Worldwide lines of credit totaled $7,878 million at October 29, 2017, $4,061 million of which were unused. For the purpose of computing unused credit lines, commercial paper and short-term bank borrowings, excluding secured borrowings and the current portion of long-term borrowings, were primarily considered to constitute utilization. Included in the total credit lines at October 29, 2017 were 364-day credit facility agreements of $1,750 million, expiring in February 2018, and $750 million, expiring in October 2018. In addition, total credit lines included long-term credit facility agreements of $2,500 million, expiring in April 2021, and $2,500 million, expiring in April 2022. These credit agreements require John Deere Capital Corporation (Capital Corporation) to maintain its consolidated ratio of earnings to fixed charges at not less than 1.05 to 1 for each fiscal quarter and the ratio of senior debt, excluding securitization indebtedness, to capital base (total subordinated debt and stockholder's equity excluding accumulated other comprehensive income (loss)) at not more than 11 to 1 at the end of any fiscal quarter. The credit agreements also require the equipment operations to maintain a ratio of total debt to total capital (total debt and stockholders' equity excluding accumulated other comprehensive income (loss)) of 65 percent or less at the end of each fiscal quarter. Under this provision, the company's excess equity capacity and retained earnings balance free of restriction at October 29, 2017 was $10,965 million. Alternatively under this provision, the equipment operations had the capacity to incur additional debt of $20,364 million at October 29, 2017. All of these requirements of the credit agreements have been met during the periods included in the consolidated financial statements.

Debt Ratings. To access public debt capital markets, the company relies on credit rating agencies to assign short-term and long-term credit ratings to the company's securities as an indicator of credit quality for fixed income investors. A security rating is not a recommendation by the rating agency to buy, sell, or hold company securities. A credit rating agency may change or withdraw company ratings based on its assessment of the company's current and future ability to meet interest and principal repayment obligations. Each agency's rating should be evaluated independently of any other rating. Lower credit ratings generally result in higher borrowing costs, including costs of derivative transactions, and reduced access to debt capital markets.

The senior long-term and short-term debt ratings and outlook currently assigned to unsecured company securities by the rating agencies engaged by the company are as follows:

	Senior Long-Term	Short-Term	Outlook
Fitch Ratings	A	F1	Stable
Moody's Investors Service, Inc.	A2	Prime-1	Negative
Standard & Poor's	A	A-1	Stable

Trade accounts and notes receivable primarily arise from sales of goods to independent dealers. Trade receivables increased by $914 million in 2017 due primarily to higher shipment volumes. The ratio of trade accounts and notes receivable at October 29, 2017 and October 30, 2016 to fiscal year net sales was 15 percent in 2017 and 13 percent in 2016. Total worldwide agriculture and turf receivables increased $553 million and construction and forestry receivables increased $361 million. The collection period for trade receivables averages less than 12 months. The percentage of trade receivables outstanding for a period exceeding 12 months was 1 percent at October 29, 2017 and 2 percent at October 30, 2016.

Deere & Company's stockholders' equity was $9,557 million at October 29, 2017, compared with $6,520 million at October 30, 2016. The increase of $3,037 million resulted from net income attributable to Deere & Company of $2,159 million, a change in the retirement benefits adjustment of $829 million, an increase in common stock of $369 million, a change in the cumulative translation adjustment of $230 million, and a decrease in treasury stock of $216 million, which were partially offset by dividends declared of $769 million.

EQUIPMENT OPERATIONS

The company's equipment businesses are capital intensive and are subject to seasonal variations in financing requirements for inventories and certain receivables from dealers. The equipment operations sell a significant portion of their trade receivables to financial services. To the extent necessary, funds provided from operations are supplemented by external financing sources.

Cash provided by operating activities of the equipment operations during 2017, including intercompany cash flows, was $2,438 million due primarily to net income adjusted for non-cash provisions and an increase in accounts payable and accrued expenses, partially offset by an increase in inventories, an increase in trade receivables, and a change in accrued income taxes payable/receivable.

Over the last three years, these operating activities, including intercompany cash flows, have provided an aggregate of $8,424 million in cash.

Trade receivables held by the equipment operations increased by $222 million during 2017. The equipment operations sell a significant portion of their trade receivables to financial services (see previous consolidated discussion).

Inventories increased by $564 million in 2017 due primarily to higher production volumes and currency translation. Most of these inventories are valued on the last-in, first-out (LIFO) method. The ratios of inventories on a first-in, first-out (FIFO) basis (see Note 15), which approximates current cost, to fiscal year cost of sales were 27 percent and 26 percent at October 29, 2017 and October 30, 2016, respectively.

Total interest-bearing debt of the equipment operations was $5,866 million at the end of 2017, compared with $4,814 million at the end of 2016 and $4,903 million at the end of 2015. The ratio of total debt to total capital (total interest-bearing debt and stockholders' equity) at the end of 2017, 2016, and 2015 was 38 percent, 42 percent, and 42 percent, respectively.

Property and equipment cash expenditures for the equipment operations in 2017 were $591 million, compared with $642 million in 2016. Capital expenditures in 2018 are estimated to be $925 million.

In September 2017, the company completed the acquisition of Blue River Technology (Blue River) for a cash purchase price of $284 million. The purchase price was financed with cash from operations (see Note 4).

On December 1, 2017, the company acquired from Wirtgen Group Holding GmbH substantially all the business operations of the Wirtgen Group. The cash purchase price was €4,475 million (or approximately $5,327 million based on the exchange rate at the closing date). The company financed the acquisition and the transaction expenses from a combination of cash, repayment of intercompany loans from the financial services operations, and €850 million of medium-term debt financing issued by the equipment operations in September 2017 (see Note 30).

FINANCIAL SERVICES

The financial services operations rely on their ability to raise substantial amounts of funds to finance their receivable and lease portfolios. Their primary sources of funds for this purpose are a combination of commercial paper, term debt, securitization of retail notes, equity capital, and borrowings from Deere & Company.

The cash provided by operating and financing activities was used for investing activities. Cash flows from the financial services' operating activities, including intercompany cash flows, were $1,877 million in 2017. Cash used by investing activities totaled $2,897 million in 2017 due primarily to the cost of receivables (excluding trade and wholesale) and cost of equipment on operating leases exceeding collections of these receivables and the proceeds from sales of equipment on operating leases by $2,476 million and an increase in trade receivables and wholesale notes of $380 million. Cash provided by financing activities totaled $990 million in 2017, representing primarily an increase in external borrowings of $3,511 million, partially offset by a decrease in borrowings from Deere & Company of $2,142 million and dividends paid of $365 million to Deere & Company. Cash and cash equivalents decreased $29 million.

Over the last three years, the operating activities, including intercompany cash flows, have provided $5,319 million in cash. In addition, an increase in total borrowings of $1,238 million, a decrease in trade receivables and wholesale notes of $770 million, proceeds from sales of businesses, net of cash sold, of $149 million, and a capital investment from Deere & Company of $76 million provided cash inflows. These amounts have been used mainly to fund receivables (excluding trade and wholesale) and equipment on operating lease acquisitions, which exceeded collections and the proceeds from sales of equipment on operating leases, by $5,848 million and pay dividends to Deere & Company of $1,607 million. Cash and cash equivalents decreased $51 million over the three-year period.

Receivables and equipment on operating leases increased by $1,890 million in 2017, compared with 2016. Total acquisition volumes of receivables (excluding trade and wholesale notes) and cost of equipment on operating leases increased 8 percent in 2017, compared with 2016. The volumes of financing leases, retail notes, and revolving charge accounts increased approximately 41 percent, 10 percent, and 8 percent, respectively, while operating lease volumes decreased 4 percent. During 2017, the amount of trade receivables increased 27 percent, while wholesale notes decreased 9 percent. At October 29, 2017 and October 30, 2016, net receivables and leases administered, which include receivables administered but not owned, were $40,001 million and $38,116 million, respectively.

Total external interest-bearing debt of the financial services operations was $34,179 million at the end of 2017, compared with $30,797 million at the end of 2016 and $31,882 million at the end of 2015. Total external borrowings have changed generally corresponding with the level of the receivable and lease portfolio, the level of cash and cash equivalents, the change in payables owed to Deere & Company, and the change in investment from Deere & Company. The financial services operations' ratio of total interest-bearing debt to total stockholder's equity was 7.6 to 1 at the end of 2017, 2016, and 2015.

The Capital Corporation has a revolving credit agreement to utilize bank conduit facilities to securitize retail notes (see Note 13). At October 29, 2017, the facility had a total capacity, or "financing limit," of up to $3,500 million of secured financings at any time. The facility was renewed in November 2017 with a capacity of $3,500 million. After a two-year revolving period, unless the banks and Capital Corporation agree to renew, Capital Corporation would liquidate the secured borrowings over time as payments on the retail notes are collected. At October 29, 2017, $1,549 million of short-term securitization borrowings was outstanding under the agreement.

During 2017, the financial services operations issued $1,924 million and retired $2,803 million of retail note securitization borrowings. During 2017, the financial services operations also issued $7,595 million and retired $5,331 million of long-term borrowings, which were primarily medium-term notes.

OFF-BALANCE-SHEET ARRANGEMENTS

At October 29, 2017, the company had approximately $131 million of guarantees issued primarily to banks outside the U.S. related to third-party receivables for the retail financing of John Deere equipment. The company may recover a portion of any required payments incurred under these agreements from repossession of the equipment collateralizing the receivables. The maximum remaining term of the receivables guaranteed at October 29, 2017 was approximately five years.

AGGREGATE CONTRACTUAL OBLIGATIONS

The payment schedule for the company's contractual obligations at October 29, 2017 in millions of dollars is as follows:

	Total	Less than 1 year	2&3 years	4&5 years	More than 5 years
On-balance-sheet					
Debt*					
Equipment operations	$ 5,898	$ 376	$ 1,324	$ 1,112	$ 3,086
Financial services**	34,296	11,880	12,177	6,139	4,100
Total	40,194	12,256	13,501	7,251	7,186
Interest relating to debt***	5,800	842	1,658	833	2,467
Accounts payable	2,909	2,780	94	32	3
Capital leases	26	10	11	4	1
Off-balance-sheet					
Purchase obligations	2,368	2,309	22	21	16
Operating leases	371	98	134	83	56
Total	$51,668	$18,295	$15,420	$ 8,224	$ 9,729

* Principal payments.

** Payments related to securitization borrowings of $4,123 million classified as short-term on the balance sheet related to the securitization of retail notes are included in this table based on the expected payment schedule (see Note 18).

*** Includes projected payments related to interest rate swaps.

The previous table does not include unrecognized tax benefit liabilities of approximately $221 million at October 29, 2017, since the timing of future payments is not reasonably estimable at this time (see Note 8). For additional information regarding pension and other postretirement employee benefit obligations, short-term borrowings, long-term borrowings, and lease obligations, see Notes 7, 18, 20, and 21, respectively.

CRITICAL ACCOUNTING POLICIES

The preparation of the company's consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses. Changes in these estimates and assumptions could have a significant effect on the financial statements. The accounting policies below are those management believes are the most critical to the preparation of the company's financial statements and require the most difficult, subjective, or complex judgments. The company's other accounting policies are described in the Notes to the Consolidated Financial Statements.

Sales Incentives

At the time a sale to a dealer is recognized, the company records an estimate of the future sales incentive costs for allowances and financing programs that will be due when the dealer sells the equipment to a retail customer. The estimate is based on historical data, announced incentive programs, field inventory levels, and retail sales volumes. The final cost of these programs and the amount of accrual required for a specific sale are fully determined when the dealer sells the equipment to the retail customer. This is due to numerous programs available at any particular time and new programs that may be announced after the company records the sale. Changes in the mix and types of programs affect these estimates, which are reviewed quarterly.

The sales incentive accruals at October 29, 2017, October 30, 2016, and November 1, 2015 were $1,581 million, $1,391 million, and $1,463 million, respectively. The increase in 2017 was related primarily to higher sales volumes, while the decrease in 2016 was due primarily to lower sales volumes.

The estimation of the sales incentive accrual is impacted by many assumptions. One of the key assumptions is the historical percent of sales incentive costs to retail sales from dealers. Over the last five fiscal years, this percent has varied by an average of approximately plus or minus 1.4 percent, compared to the average sales incentive costs to retail sales percent during that period. Holding other assumptions constant, if this estimated cost experience percent were to increase or decrease 1.4 percent, the sales incentive accrual at October 29, 2017 would increase or decrease by approximately $93 million.

Product Warranties

At the time a sale to a dealer is recognized, the company records the estimated future warranty costs. The company generally determines its total warranty liability by applying historical claims rate experience to the estimated amount of equipment that has been sold and is still under warranty based on dealer inventories and retail sales. The historical claims rate is primarily determined by a review of five-year claims costs and consideration of current quality developments. Variances in claims experience and the type of warranty programs affect these estimates, which are reviewed quarterly.

The product warranty accruals, excluding extended warranty unamortized premiums, at October 29, 2017, October 30, 2016, and November 1, 2015 were $1,007 million, $779 million, and $807 million, respectively. The increase in 2017 was due primarily to higher sales volumes and claims experience. The decrease in 2016 was due primarily to lower sales volumes.

Estimates used to determine the product warranty accruals are significantly affected by the historical percent of warranty claims costs to sales. Over the last five fiscal years, this percent has varied by an average of approximately plus or minus .17 percent, compared to the average warranty costs to sales percent during that period. Holding other assumptions constant, if this estimated cost experience percent were to increase or decrease .17 percent, the warranty accrual at October 29, 2017 would increase or decrease by approximately $49 million.

Postretirement Benefit Obligations

Pension obligations and other postretirement employee benefit (OPEB) obligations are based on various assumptions used by the company's actuaries in calculating these amounts. These

assumptions include discount rates, health care cost trend rates, expected return on plan assets, compensation increases, retirement rates, mortality rates, and other factors. Actual results that differ from the assumptions and changes in assumptions affect future expenses and obligations.

The pension liabilities, net of pension assets, recognized on the balance sheet at October 29, 2017, October 30, 2016, and November 1, 2015 were $1,073 million, $1,949 million, and $1,022 million, respectively. The decrease in pension net liabilities in 2017 was due primarily to the return on plan assets, partially offset by interest on the liabilities and service cost. The increase in pension net liabilities in 2016 was due primarily to decreases in discount rates. The OPEB liabilities, net of OPEB assets, at October 29, 2017, October 30, 2016, and November 1, 2015 were $5,623 million, $6,065 million, and $5,395 million, respectively. The decrease in OPEB net liabilities in 2017 was due primarily to a contribution to the Voluntary Employees' Beneficiary Association trust. The increase in OPEB net liabilities in 2016 was due primarily to decreases in discount rates and interest on the liabilities (see Note 7).

In 2016, the company changed the method used to estimate the service and interest cost components of the net periodic pension and postretirement benefits cost. The new method uses the spot yield curve approach to estimate the service and interest cost by applying the specific spot rates along the yield curve used to determine the benefit plan obligations to relevant projected cash outflows. For 2015, the service and interest cost components were determined using a single weighted-average discount rate. The change did not affect the measurement of the total benefit plan obligations as the change in service and interest cost offsets in the actuarial gains and losses recorded in other comprehensive income.

The company changed to the new method to provide a more precise measure of service and interest cost by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. The company accounted for this change as a change in estimate prospectively beginning in 2016.

The effect of hypothetical changes to selected assumptions on the company's major U.S. retirement benefit plans would be as follows in millions of dollars:

		October 29, 2017	2018
Assumptions	Percentage Change	Increase (Decrease) PBO/APBO*	Increase (Decrease) Expense
Pension			
Discount rate**	+/-.5	$ (712)/818	$ (37)/43
Expected return on assets	+/-.5		(50)/50
OPEB			
Discount rate**	+/-.5	(351)/389	(13)/14
Expected return on assets	+/-.5		(2)/2
Health care cost trend rate**	+/-1.0	769/(597)	92/(71)

* Projected benefit obligation (PBO) for pension plans and accumulated postretirement benefit obligation (APBO) for OPEB plans.

** Pretax impact on service cost, interest cost, and amortization of gains or losses.

Goodwill

Goodwill is not amortized and is tested for impairment annually and when events or circumstances change such that it is more likely than not that the fair value of a reporting unit is reduced below its carrying amount. The end of the fiscal third quarter is the annual measurement date. To test for goodwill impairment, the carrying value of each reporting unit is compared with its fair value. If the carrying value of the goodwill is considered impaired, a loss is measured as the excess of the reporting unit's carrying value over the fair value, with a limit of the goodwill allocated to that reporting unit.

An estimate of the fair value of the reporting unit is determined through a combination of comparable market values for similar businesses and discounted cash flows. These estimates can change significantly based on such factors as the reporting unit's financial performance, economic conditions, interest rates, growth rates, pricing, changes in business strategies, and competition.

Based on this testing, the company has not identified a reporting unit for which the goodwill was impaired in 2017, 2016, or 2015. A 10 percent decrease in the estimated fair value of the company's reporting units would have had no impact on the carrying value of goodwill at the annual measurement date in 2017.

Allowance for Credit Losses

The allowance for credit losses represents an estimate of the losses inherent in the company's receivable portfolio. The level of the allowance is based on many quantitative and qualitative factors, including historical loss experience by product category, portfolio duration, delinquency trends, economic conditions, and credit risk quality. The adequacy of the allowance is assessed quarterly. Different assumptions or changes in economic conditions would result in changes to the allowance for credit losses and the provision for credit losses.

The total allowance for credit losses at October 29, 2017, October 30, 2016, and November 1, 2015 was $243 million, $226 million, and $198 million, respectively. The allowance increased in 2017 compared to 2016 due primarily to growth in the receivable portfolio, and increased in 2016 compared to 2015 due to higher write-off experience.

The assumptions used in evaluating the company's exposure to credit losses involve estimates and significant judgment. The historical loss experience on the receivable portfolio represents one of the key assumptions involved in determining the allowance for credit losses. Over the last five fiscal years, this percent has varied by an average of approximately plus or minus .07 percent, compared to the average loss experience percent during that period. Holding other assumptions constant, if this estimated loss experience on the receivable portfolio were to increase or decrease .07 percent, the allowance for credit losses at October 29, 2017 would increase or decrease by approximately $24 million.

Operating Lease Residual Values

The carrying value of equipment on operating leases is affected by the estimated fair values of the equipment at the end of the lease (residual values). Upon termination of the lease, the equipment is either purchased by the lessee or sold to a third party, in which case the company may record a gain or a loss for the difference between the estimated residual value and the sale price. The residual values are dependent on current economic conditions and are reviewed when events or circumstances necessitate an evaluation. Changes in residual value assumptions

would affect the amount of depreciation expense and the amount of investment in equipment on operating leases.

The total operating lease residual values at October 29, 2017, October 30, 2016, and November 1, 2015 were $4,679 million, $4,347 million, and $3,603 million, respectively. The changes in 2017 and 2016 were due primarily to the increasing levels of operating leases.

Estimates used in determining end of lease market values for equipment on operating leases significantly impact the amount and timing of depreciation expense. Hypothetically, if future market values for this equipment were to decrease 10 percent from the company's present estimates, the total impact would be to increase the company's annual depreciation for equipment on operating leases by approximately $200 million.

Income Taxes

The company's income tax provision, deferred income tax assets and liabilities, and liabilities for uncertain tax benefits represent the company's best estimate of current and future income taxes to be paid. The annual tax rate is based on income tax laws, statutory tax rates, taxable income levels, and tax planning opportunities available in various jurisdictions where the company operates. These tax laws are complex, and require significant judgment to determine the consolidated provision for income taxes. Changes in tax laws, statutory tax rates, and estimates of the company's future taxable income levels could result in actual realization of deferred taxes being materially different from amounts provided for in the consolidated financial statements.

Deferred income taxes represent temporary differences between the tax and the financial reporting basis of assets and liabilities, which will result in taxable or deductible amounts in the future. Deferred tax assets also include loss carryforwards and tax credits. These assets are regularly assessed for the likelihood of recoverability from estimated future taxable income, reversal of deferred tax liabilities, and tax planning strategies. To the extent the company determines that it is more likely than not a deferred income tax asset will not be realized, a valuation allowance is established. The recoverability analysis of the deferred income tax assets and the related valuation allowances requires significant judgment and relies on estimates.

Uncertain tax positions are determined based on whether it is more likely than not the tax positions will be sustained based on the technical merits of the position. For those positions that meet the more likely than not criteria, an estimate of the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related tax authority is recognized. The ultimate resolution of the tax position could take many years and result in a payment that is significantly different from the original estimate.

A provision for U.S. income taxes or foreign withholding taxes has not been recorded on undistributed profits of the company's non-U.S. subsidiaries that are not currently taxable in the U.S. and that are determined to be indefinitely reinvested outside the U.S. If management intentions or U.S. tax law changes in the future, there may be a significant impact on the provision for income taxes in the period the change occurs. For further information on income taxes, see Note 8 to the consolidated financial statements.

FINANCIAL INSTRUMENT MARKET RISK INFORMATION

The company is naturally exposed to various interest rate and foreign currency risks. As a result, the company enters into derivative transactions to manage certain of these exposures that arise in the normal course of business and not for the purpose of creating speculative positions or trading. The company's financial services operations manage the relationship of the types and amounts of their funding sources to their receivable and lease portfolio in an effort to diminish risk due to interest rate and foreign currency fluctuations while responding to favorable financing opportunities. Accordingly, from time to time, these operations enter into interest rate swap agreements to manage their interest rate exposure. The company also has foreign currency exposures at some of its foreign and domestic operations related to buying, selling, and financing in currencies other than the functional currencies. The company has entered into agreements related to the management of these foreign currency transaction risks.

Interest Rate Risk

Quarterly, the company uses a combination of cash flow models to assess the sensitivity of its financial instruments with interest rate exposure to changes in market interest rates. The models calculate the effect of adjusting interest rates as follows: cash flows for financing receivables are discounted at the current prevailing rate for each receivable portfolio, cash flows for marketable securities are primarily discounted at the applicable benchmark yield curve plus market credit spreads, cash flows for unsecured borrowings are discounted at the applicable benchmark yield curve plus market credit spreads for similarly rated borrowers, cash flows for securitized borrowings are discounted at the swap yield curve plus a market credit spread for similarly rated borrowers, and cash flows for interest rate swaps are projected and discounted using forward rates from the swap yield curve at the repricing dates. The net loss in these financial instruments' fair values which would be caused by increasing the interest rates by 10 percent from the market rates at October 29, 2017 would have been approximately $4 million. The net loss from increasing the interest rates by 10 percent at October 30, 2016 would have been approximately $13 million.

Foreign Currency Risk

In the equipment operations, the company's practice is to hedge significant currency exposures. Worldwide foreign currency exposures are reviewed quarterly. Based on the equipment operations' anticipated and committed foreign currency cash inflows, outflows, and hedging policy for the next twelve months, the company estimates that a hypothetical 10 percent strengthening of the U.S. dollar relative to other currencies through 2018 would decrease the 2018 expected net cash inflows by approximately $78 million. At October 30, 2016, a hypothetical 10 percent strengthening of the U.S. dollar under similar assumptions and calculations indicated a potential $77 million adverse effect on the 2017 net cash inflows.

In the financial services operations, the company's policy is to hedge the foreign currency risk if the currency of the borrowings does not match the currency of the receivable portfolio. As a result, a hypothetical 10 percent adverse change in the value of the U.S. dollar relative to all other foreign currencies would not have a material effect on the financial services cash flows.

DEERE & COMPANY

STATEMENT OF CONSOLIDATED INCOME

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	2017	2016	2015
Net Sales and Revenues			
Net sales	$25,885.1	$23,387.3	$25,775.2
Finance and interest income	2,731.5	2,511.2	2,381.1
Other income	1,121.1	745.5	706.5
Total	29,737.7	26,644.0	28,862.8
Costs and Expenses			
Cost of sales	19,933.5	18,248.9	20,143.2
Research and development expenses	1,367.7	1,389.1	1,425.1
Selling, administrative and general expenses	3,066.6	2,763.7	2,873.3
Interest expense	899.5	763.7	680.0
Other operating expenses	1,316.6	1,254.6	961.1
Total	26,583.9	24,420.0	26,082.7
Income of Consolidated Group before Income Taxes	3,153.8	2,224.0	2,780.1
Provision for income taxes	971.1	700.1	840.1
Income of Consolidated Group	2,182.7	1,523.9	1,940.0
Equity in income (loss) of unconsolidated affiliates	(23.5)	(2.4)	.9
Net Income	2,159.2	1,521.5	1,940.9
Less: Net income (loss) attributable to noncontrolling interests	.1	(2.4)	.9
Net Income Attributable to Deere & Company	$ 2,159.1	$ 1,523.9	$ 1,940.0
Per Share Data			
Basic	$ 6.76	$ 4.83	$ 5.81
Diluted	$ 6.68	$ 4.81	$ 5.77
Dividends declared	$ 2.40	$ 2.40	$ 2.40
Average Shares Outstanding			
Basic	319.5	315.2	333.6
Diluted	323.3	316.6	336.0

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	2017	2016	2015
Net Income	$ 2,159.2	$ 1,521.5	$ 1,940.9
Other Comprehensive Income (Loss), Net of Income Taxes			
Retirement benefits adjustment	828.8	(907.6)	(7.7)
Cumulative translation adjustment	230.6	9.0	(935.1)
Unrealized gain (loss) on derivatives	3.7	2.9	(2.5)
Unrealized loss on investments	(.6)	(.9)	(1.5)
Other Comprehensive Income (Loss), Net of Income Taxes	1,062.5	(896.6)	(946.8)
Comprehensive Income of Consolidated Group	3,221.7	624.9	994.1
Less: Comprehensive income (loss) attributable to noncontrolling interests	.3	(2.4)	.5
Comprehensive Income Attributable to Deere & Company	$ 3,221.4	$ 627.3	$ 993.6

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY

CONSOLIDATED BALANCE SHEET

As of October 29, 2017 and October 30, 2016

(In millions of dollars except per share amounts)

	2017	2016
ASSETS		
Cash and cash equivalents	$ 9,334.9	$ 4,335.8
Marketable securities	451.6	453.5
Receivables from unconsolidated affiliates	35.9	16.5
Trade accounts and notes receivable – net	3,924.9	3,011.3
Financing receivables – net	25,104.1	23,702.3
Financing receivables securitized – net	4,158.8	5,126.5
Other receivables	1,200.0	1,018.5
Equipment on operating leases – net	6,593.7	5,901.5
Inventories	3,904.1	3,340.5
Property and equipment – net	5,067.7	5,170.6
Investments in unconsolidated affiliates	182.5	232.6
Goodwill	1,033.3	815.7
Other intangible assets – net	218.0	104.1
Retirement benefits	538.2	93.6
Deferred income taxes	2,415.0	2,964.4
Other assets	1,623.6	1,631.1
Total Assets	$ 65,786.3	$ 57,918.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Short-term borrowings	$ 10,035.3	$ 6,910.7
Short-term securitization borrowings	4,118.7	4,997.8
Payables to unconsolidated affiliates	121.9	81.6
Accounts payable and accrued expenses	8,417.0	7,240.1
Deferred income taxes	209.7	166.0
Long-term borrowings	25,891.3	23,703.0
Retirement benefits and other liabilities	7,417.9	8,274.5
Total liabilities	56,211.8	51,373.7
Commitments and contingencies (Note 22)		
Redeemable noncontrolling interest (Note 4)	14.0	14.0
STOCKHOLDERS' EQUITY		
Common stock, $1 par value (authorized – 1,200,000,000 shares; issued – 536,431,204 shares in 2017 and 2016), at paid-in amount	4,280.5	3,911.8
Common stock in treasury, 214,589,902 shares in 2017 and 221,663,380 shares in 2016, at cost	(15,460.8)	(15,677.1)
Retained earnings	25,301.3	23,911.3
Accumulated other comprehensive income (loss)	(4,563.7)	(5,626.0)
Total Deere & Company stockholders' equity	9,557.3	6,520.0
Noncontrolling interests	3.2	10.8
Total stockholders' equity	9,560.5	6,530.8
Total Liabilities and Stockholders' Equity	$ 65,786.3	$ 57,918.5

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY

STATEMENT OF CONSOLIDATED CASH FLOWS

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	2017	2016	2015
Cash Flows from Operating Activities			
Net income	$ 2,159.2	$ 1,521.5	$ 1,940.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	98.3	94.3	55.4
Provision for depreciation and amortization	1,715.5	1,559.8	1,382.4
Impairment charges	39.8	85.1	34.8
Share-based compensation expense	68.1	70.6	66.1
Gain on sale of unconsolidated affiliates and investments	(375.1)	(74.5)	
Undistributed earnings of unconsolidated affiliates	(14.4)	(1.9)	(1.0)
Provision (credit) for deferred income taxes	100.1	282.7	(18.4)
Changes in assets and liabilities:			
Trade, notes and financing receivables related to sales	(838.9)	335.2	811.6
Insurance receivables			333.4
Inventories	(1,305.3)	(106.1)	(691.4)
Accounts payable and accrued expenses	968.0	(155.2)	(503.6)
Accrued income taxes payable/receivable	(84.2)	7.0	(119.1)
Retirement benefits	(31.9)	238.6	427.5
Other	(299.4)	(87.4)	40.2
Net cash provided by operating activities	2,199.8	3,769.7	3,758.8
Cash Flows from Investing Activities			
Collections of receivables (excluding receivables related to sales)	14,671.1	14,611.4	14,919.7
Proceeds from maturities and sales of marketable securities	404.2	169.4	860.7
Proceeds from sales of equipment on operating leases	1,440.8	1,256.2	1,049.4
Proceeds from sales of businesses and unconsolidated affiliates, net of cash sold	113.9	81.1	149.2
Cost of receivables acquired (excluding receivables related to sales)	(15,221.8)	(13,954.5)	(14,996.5)
Purchases of marketable securities	(118.0)	(171.2)	(154.9)
Purchases of property and equipment	(594.9)	(644.4)	(694.0)
Cost of equipment on operating leases acquired	(1,997.4)	(2,310.7)	(2,132.1)
Acquisitions of businesses, net of cash acquired	(284.2)	(198.5)	
Other	(58.0)	(16.0)	(60.2)
Net cash used for investing activities	(1,644.3)	(1,177.2)	(1,058.7)
Cash Flows from Financing Activities			
Increase (decrease) in total short-term borrowings	1,310.6	(1,213.6)	501.6
Proceeds from long-term borrowings	8,702.2	5,070.7	5,711.0
Payments of long-term borrowings	(5,397.0)	(5,267.6)	(4,863.2)
Proceeds from issuance of common stock	528.7	36.0	172.1
Repurchases of common stock	(6.2)	(205.4)	(2,770.7)
Dividends paid	(764.0)	(761.3)	(816.3)
Other	(87.8)	(64.7)	(72.1)
Net cash provided by (used for) financing activities	4,286.5	(2,405.9)	(2,137.6)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	157.1	(13.0)	(187.3)
Net Increase in Cash and Cash Equivalents	4,999.1	173.6	375.2
Cash and Cash Equivalents at Beginning of Year	4,335.8	4,162.2	3,787.0
Cash and Cash Equivalents at End of Year	$ 9,334.9	$ 4,335.8	$ 4,162.2

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY

STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY

For the Years Ended November 1, 2015, October 30, 2016, and October 29, 2017

(In millions of dollars)

	Total Stockholders' Equity	Total Stockholders' Equity: Deere & Company Stockholders: Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Redeemable Noncontrolling Interest
Balance November 2, 2014	$ 9,065.5	$3,675.4	$(12,834.2)	$22,004.4	$ (3,783.0)	$ 2.9	
Net income	1,940.9			1,940.0		.9	
Other comprehensive loss	(946.8)				(946.4)	(.4)	
Repurchases of common stock	(2,770.7)		(2,770.7)				
Treasury shares reissued	107.3		107.3				
Dividends declared	(800.8)			(799.5)		(1.3)	
Stock options and other	162.2	150.2		(.1)		12.1	
Balance November 1, 2015	6,757.6	3,825.6	(15,497.6)	23,144.8	(4,729.4)	14.2	
Net income (loss)	1,521.5			1,523.9		(2.4)	
Other comprehensive loss	(896.6)				(896.6)		
Repurchases of common stock	(205.4)		(205.4)				
Treasury shares reissued	25.9		25.9				
Dividends declared	(758.0)			(757.1)		(.9)	
Acquisition (Note 4)							$ 14.0
Stock options and other	85.8	86.2		(.3)		(.1)	
Balance October 30, 2016	6,530.8	3,911.8	(15,677.1)	23,911.3	(5,626.0)	10.8	14.0
Net income	2,159.2			2,159.1		.1	
Other comprehensive income	1,062.5				1,062.3	.2	
Repurchases of common stock	(6.2)		(6.2)				
Treasury shares reissued	222.5		222.5				
Dividends declared	(770.4)			(769.2)		(1.2)	
Stock options and other	362.1	368.7		.1		(6.7)	
Balance October 29, 2017	$ 9,560.5	$4,280.5	$(15,460.8)	$25,301.3	$ (4,563.7)	$ 3.2	$ 14.0

The notes to consolidated financial statements are an integral part of this statement.

1. ORGANIZATION AND CONSOLIDATION

Structure of Operations
The information in the notes and related commentary are presented in a format that includes data grouped as follows:

Equipment Operations – Includes the company's agriculture and turf operations and construction and forestry operations with financial services reflected on the equity basis.

Financial Services – Includes primarily the company's financing operations.

Consolidated – Represents the consolidation of the equipment operations and financial services. References to "Deere & Company" or "the company" refer to the entire enterprise.

Principles of Consolidation
The consolidated financial statements represent primarily the consolidation of all companies in which Deere & Company has a controlling interest. Certain variable interest entities (VIEs) are consolidated since the company has both the power to direct the activities that most significantly impact the VIEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. Deere & Company records its investment in each unconsolidated affiliated company (generally 20 to 50 percent ownership) at its related equity in the net assets of such affiliate (see Note 10). Other investments (less than 20 percent ownership) are recorded at cost.

Fiscal Year
The company uses a 52/53 week fiscal year ending on the last Sunday in the reporting period. The fiscal year ends for 2017, 2016, and 2015 were October 29, 2017, October 30, 2016, and November 1, 2015, respectively. All fiscal years contained 52 weeks.

Variable Interest Entities
See Note 13 for VIEs related to securitization of financing receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are significant accounting policies in addition to those included in other notes to the consolidated financial statements.

Use of Estimates in Financial Statements
The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts and related disclosures. Actual results could differ from those estimates.

Revenue Recognition
Sales of equipment and service parts are recorded when the sales price is determinable and the risks and rewards of ownership are transferred to independent parties based on the sales agreements in effect. In the U.S. and most international locations, this transfer occurs primarily when goods are shipped. In Canada and some other international locations, certain goods are shipped to dealers on a consignment basis under which the risks and rewards of ownership are not transferred to the dealer. Accordingly, in these locations, sales are not recorded until a retail customer has purchased the goods. In all cases, when a sale is recorded by the company, no significant uncertainty exists surrounding the purchaser's obligation to pay. No right of return exists on sales of equipment. Service parts and certain attachments returns are estimable and accrued at the time a sale is recognized. The company makes appropriate provisions based on experience for costs such as doubtful receivables, sales incentives, and product warranty.

Financing revenue is recorded over the lives of related receivables using the interest method. Extended warranty premiums recorded in other income are generally recognized in proportion to the costs expected to be incurred over the contract period. Deferred costs on the origination of financing receivables are recognized as a reduction in finance revenue over the expected lives of the receivables using the interest method. Income and deferred costs on the origination of operating leases are recognized on a straight-line basis over the scheduled lease terms in finance revenue.

Sales Incentives
At the time a sale is recognized, the company records an estimate of the future sales incentive costs for allowances and financing programs that will be due when a dealer sells the equipment to a retail customer. The estimate is based on historical data, announced incentive programs, field inventory levels, and retail sales volumes.

Product Warranties
At the time a sale is recognized, the company records the estimated future warranty costs. These costs are usually estimated based on historical warranty claims and consideration of current quality developments (see Note 22).

Sales Taxes
The company collects and remits taxes assessed by different governmental authorities that are both imposed on and concurrent with revenue producing transactions between the company and its customers. These taxes may include sales, use, value-added, and some excise taxes. The company reports the collection of these taxes on a net basis (excluded from revenues).

Shipping and Handling Costs
Shipping and handling costs related to the sales of the company's equipment are included in cost of sales.

Advertising Costs
Advertising costs are charged to expense as incurred. This expense was $169 million in 2017, $169 million in 2016, and $157 million in 2015.

Depreciation and Amortization
Property and equipment, capitalized software, and other intangible assets are generally stated at cost less accumulated depreciation or amortization. These assets are depreciated over their estimated useful lives generally using the straight-line method. Equipment on operating leases is depreciated over the terms of the leases using the straight-line method. Property and equipment expenditures for new and revised products, increased capacity, and the replacement or major renewal of significant items are capitalized. Expenditures for maintenance, repairs, and minor renewals are generally charged to expense as incurred.

Securitization of Receivables
Certain financing receivables are periodically transferred to special purpose entities (SPEs) in securitization transactions (see Note 13). These securitizations qualify as collateral for secured borrowings and no gains or losses are recognized at the time of securitization. The receivables remain on the balance sheet and are classified as ''Financing receivables securitized – net.'' The company recognizes finance income over the lives of these receivables using the interest method.

Receivables and Allowances
All financing and trade receivables are reported on the balance sheet at outstanding principal adjusted for any charge-offs, the allowance for credit losses, and any deferred fees or costs on originated financing receivables. Allowances for credit losses are maintained in amounts considered to be appropriate in relation to the receivables outstanding based on collection experience, economic conditions, and credit risk quality. Receivables are written-off to the allowance when the account is considered uncollectible.

Impairment of Long-Lived Assets, Goodwill, and Other Intangible Assets
The company evaluates the carrying value of long-lived assets (including equipment on operating leases, property and equipment, goodwill, and other intangible assets) when events or circumstances warrant such a review. Goodwill and intangible assets with indefinite lives are tested for impairment annually at the end of the third quarter of each fiscal year, and more often if events or circumstances indicate a reduction in the fair value below the carrying value. Goodwill is allocated and reviewed for impairment by reporting units, which consist primarily of the operating segments and certain other reporting units. Goodwill is allocated to the reporting unit in which the business that created the goodwill resides. To test for goodwill impairment, the carrying value of each reporting unit is compared with its fair value. If the carrying value of the goodwill is considered impaired, the impairment is measured as the excess of the reporting unit's carrying value over the fair value, with a limit of the goodwill allocated to that reporting unit. If the carrying value of the long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset (see Notes 5 and 26).

Derivative Financial Instruments
It is the company's policy that derivative transactions are executed only to manage exposures arising in the normal course of business and not for the purpose of creating speculative positions or trading. The company's financial services manage the relationship of the types and amounts of their funding sources to their receivable and lease portfolio in an effort to diminish risk due to interest rate and foreign currency fluctuations, while responding to favorable financing opportunities. The company also has foreign currency exposures at some of its foreign and domestic operations related to buying, selling, and financing in currencies other than the functional currencies.

All derivatives are recorded at fair value on the balance sheet. Cash collateral received or paid is not offset against the derivative fair values on the balance sheet. Each derivative is designated as either a cash flow hedge or a fair value hedge or remains undesignated. Changes in the fair value of derivatives that are designated and effective as cash flow hedges are recorded in other comprehensive income and reclassified to the income statement when the effects of the item being hedged are recognized in the income statement. Changes in the fair value of derivatives that are designated and effective as fair value hedges are recognized currently in net income. These changes are offset in net income to the extent the hedge was effective by fair value changes related to the risk being hedged on the hedged item. Changes in the fair value of undesignated hedges are recognized currently in the income statement. All ineffective changes in derivative fair values are recognized currently in net income.

All designated hedges are formally documented as to the relationship with the hedged item as well as the risk-management strategy. Both at inception and on an ongoing basis the hedging instrument is assessed as to its effectiveness. If and when a derivative is determined not to be highly effective as a hedge, the underlying hedged transaction is no longer likely to occur, the hedge designation is removed, or the derivative is terminated, the hedge accounting discussed above is discontinued (see Note 27).

Foreign Currency Translation
The functional currencies for most of the company's foreign operations are their respective local currencies. The assets and liabilities of these operations are translated into U.S. dollars at the end of the period exchange rates. The revenues and expenses are translated at weighted-average rates for the period. The gains or losses from these translations are recorded in other comprehensive income. Gains or losses from transactions denominated in a currency other than the functional currency of the subsidiary involved and foreign exchange forward contracts are included in net income. The pretax net gain (loss) for foreign exchange in 2017, 2016, and 2015 was $(62) million, $(38) million, and $22 million, respectively.

3. NEW ACCOUNTING STANDARDS

New Accounting Standards Adopted
In the first quarter of 2017, the company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2015-03, Simplifying the Presentation of Debt Issuance Costs, which amends Accounting Standards Codification (ASC) 835-30, Interest – Imputation of Interest. This ASU requires that debt issuance costs related to borrowings be presented in the balance sheet as a direct deduction from the carrying amount of the borrowing. As required, the presentation and disclosure requirements were adopted through retrospective application with the consolidated balance sheet and related notes in prior periods adjusted for a consistent presentation. Debt issuance costs of $63 million at October 30, 2016 were reclassified from other assets to borrowings in the consolidated balance sheet.

In the third quarter of 2017, the company early adopted ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting, which amends ASC 718, Compensation – Stock Compensation. This ASU changes the treatment of share based payment transactions by recognizing the impact of excess tax benefits or deficiencies related to exercised or vested awards in income tax expense in the period of exercise or vesting, instead of common stock. As required, this change was reflected for all periods in fiscal year 2017. Net income increased in fiscal year

2017 by approximately $30 million. The ASU also modified the presentation of excess tax benefits in the statement of consolidated cash flows by including that amount with other income tax cash flows as an operating activity and no longer presented separately as a financing activity. This change was recognized through a retrospective application that increased net cash flow provided by operating activities by approximately $30 million, $5 million, and $19 million in fiscal years 2017, 2016, and 2015. The ASU also requires that cash paid by an employer when directly withholding shares for tax withholding purposes should be presented as a financing activity in the statement of consolidated cash flows, which is the company's existing presentation. The company will continue to recognize the impact of share-based payment award forfeitures as the forfeitures occur.

In the third quarter of 2017, the company early adopted ASU No. 2017-04, Simplifying the Test for Goodwill Impairment, which amends ASC 350, Intangibles – Goodwill and Other. This ASU simplifies the goodwill impairment test by removing the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value. This ASU states the impairment is measured as the excess of the reporting unit's carrying value over the fair value, with a limit of the goodwill allocated to that reporting unit. The adoption did not have a material effect on the company's consolidated financial statement.

The company also adopted the following standards in the first quarter of 2017, none of which had a material effect on the company's consolidated financial statements:

Accounting Standard Update
2014-12 – Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period, which amends ASC 718, Compensation – Stock Compensation
2015-05 – Customer's Accounting for Fees Paid in a Cloud Computing Arrangement, which amends ASC 350-40, Intangibles – Goodwill and Other – Internal-Use Software
2015-11 – Simplifying the Measurement of Inventory, which amends ASC 330, Inventory
2015-15 – Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, which amends ASC 835-30, Interest – Imputation of Interest

New Accounting Standards to be Adopted

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue. In August 2015, the FASB amended the effective date to be the first quarter of fiscal year 2019 with early adoption permitted in the first quarter of fiscal year 2018. The FASB issued several amendments clarifying various aspects of the ASU, including revenue transactions that involve a third party, goods or services that are immaterial in the context of the contract, and licensing arrangements. The company plans to adopt the ASU effective the first quarter of fiscal year 2019 using a modified retrospective method. The company's evaluation of the ASU is largely complete, with the exception of the Wirtgen acquisition (see Note 30). The ASU requires that a gross asset and liability rather than a net liability be recorded for the value of estimated service parts returns and the refund liability. The gross asset will be recorded in other assets and the gross liability will be recorded in accounts payable and accrued expenses. In addition, certain revenue disclosures will be expanded. At this point of the evaluation, the company has not identified an item that will have a material effect on the company's consolidated financial statements. The company continues to evaluate the ASU's potential effects on the consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which amends ASC 825-10, Financial Instruments – Overall. This ASU changes the treatment for available-for-sale equity investments by recognizing unrealized fair value changes directly in net income and no longer in other comprehensive income. The effective date will be the first quarter of fiscal year 2019. Early adoption of the provisions affecting the company is not permitted. The ASU will be adopted with a cumulative-effect adjustment to the balance sheet in the year of adoption. The company is evaluating the potential effects on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which supersedes ASC 840, Leases. The ASU's primary change is the requirement for lessee entities to recognize a lease liability for payments and a right of use asset during the term of operating lease arrangements. The ASU does not significantly change the lessee's recognition, measurement, and presentation of expenses and cash flows from the previous accounting standard. Lessors' accounting under the ASC is largely unchanged from the previous accounting standard. Lessees and lessors will use a modified retrospective transition approach. The effective date will be the first quarter of fiscal year 2020 with early adoption permitted. The company is evaluating the potential effects on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-07, Simplifying the Transition to the Equity Method of Accounting, which amends ASC 323, Investments – Equity Method and Joint Ventures. This ASU eliminates the requirement to retroactively restate the investment, results of operations, and retained earnings on a step by step basis when an investment qualifies for use of the equity method as a result of an increase in ownership or degree of influence. The effective date will be the first quarter of fiscal year 2018, with early adoption permitted, and will be adopted prospectively. The adoption will not have a material effect on the company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Measurement of Credit Losses on Financial Instruments, which establishes ASC 326, Financial Instruments – Credit Losses. The ASU revises the measurement of credit losses for financial assets measured at amortized cost from an incurred loss methodology to an

expected loss methodology. The ASU affects trade receivables, debt securities, net investment in leases, and most other financial assets that represent a right to receive cash. Additional disclosures about significant estimates and credit quality are also required. The effective date will be the first quarter of fiscal year 2021, with early adoption permitted beginning in fiscal year 2020. The ASU will be adopted using a modified-retrospective approach. The company is evaluating the potential effects on the consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Classification of Certain Cash Receipts and Cash Payments, which amends ASC 230, Statement of Cash Flows. This ASU provides guidance on the statement of cash flows presentation of certain transactions where diversity in practice exists. The effective date will be the first quarter of fiscal year 2019, with early adoption permitted. The ASU will be adopted using a retrospective transition approach. The adoption will not have a material effect on the company's consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, Intra-Entity Transfers of Assets Other Than Inventory, which amends ASC 740, Income Taxes. This ASU requires that the income tax consequences of an intra-entity asset transfer other than inventory are recognized at the time of the transfer. The effective date will be the first quarter of fiscal year 2019, with early adoption permitted. The ASU will be adopted using a modified-retrospective transition approach. The adoption will not have a material effect on the company's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Restricted Cash, which amends ASC 230, Statement of Cash Flows. This ASU requires that a statement of cash flows explain the change during the reporting period in the total of cash, cash equivalents, and restricted cash or restricted cash equivalents. The effective date will be the first quarter of fiscal year 2019, with early adoption permitted, and will be adopted using a retrospective transition approach. The adoption will not have a material effect on the company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, Clarifying the Definition of a Business, which amends ASC 805, Business Combinations. This ASU provides further guidance on the definition of a business to determine whether transactions should be accounted for as acquisitions of assets or businesses. The effective date will be the first quarter of fiscal year 2019, with early adoption permitted in certain cases. The ASU will be adopted on a prospective basis and will not have a material effect on the company's consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which amends ASC 715, Compensation – Retirement Benefits. This ASU requires that employers report only the service cost component of the total defined benefit pension and postretirement benefit cost in the same income statement lines as compensation for the participating employees. The other components of these benefit costs are reported outside of income from operations. In addition, only the service cost component of the benefit costs is eligible for capitalization. The ASU will be adopted on a retrospective basis for the presentation of the benefit costs and on a prospective basis for the capitalization of only the service cost. The effective date is fiscal year 2019, with early adoption permitted. The company will adopt the ASU in the first quarter of fiscal year 2018. If adopted in fiscal year 2017, operating profit would have increased by approximately $31 million. The adoption is estimated to improve operating profit in fiscal year 2018 by approximately $25 million.

In March 2017, the FASB issued ASU No. 2017-08, Premium Amortization on Purchased Callable Debt Securities, which amends ASC 310-20, Receivables – Nonrefundable Fees and Other Costs. This ASU reduces the amortization period for certain callable debt securities held at a premium to the earliest call date. The treatment of securities held at a discount is unchanged. The effective date is the first quarter of fiscal year 2020, with early adoption permitted. The adoption will not have a material effect on the company's consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Scope of Modification Accounting, which amends ASC 718, Compensation – Stock Compensation. This ASU provides guidance about which changes to the terms of a share-based payment award should be accounted for as a modification. A change to an award should be accounted for as a modification unless the fair value of the modified award is the same as the original award, the vesting conditions do not change, and the classification as an equity or liability instrument does not change. The ASU will be adopted on a prospective basis. The effective date is the first quarter of fiscal year 2019, with early adoption permitted. The adoption will not have a material effect on the company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Targeted Improvements to Accounting for Hedging Activities, which amends ASC 815, Derivatives and Hedging. The purpose of this ASU is to better align a company's risk management activities and financial reporting for hedging relationships, simplify the hedge accounting requirements, and improve the disclosures of hedging arrangements. The effective date is fiscal year 2020, with early adoption permitted. The company is evaluating the potential effects on the consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

In September 2017, the company acquired Blue River Technology (Blue River), which is based in Sunnyvale, California for an acquisition cost of approximately $284 million, net of cash acquired of $4 million and $21 million funded to escrow for post-acquisition expenses. Blue River has designed and integrated computer vision and machine learning technology to optimize the use of farm inputs. Machine learning technologies could eventually be applied to a wide range of the company's products. The preliminary fair values assigned to the assets and liabilities related to the acquired entity were approximately $1 million of trade receivables, $2 million of property and equipment, $193 million of goodwill, $125 million of identifiable intangible assets, $1 million of accounts payable and accrued expenses, and $36 million of deferred tax liabilities. The identifiable intangibles were primarily related to in-process research and development, which will not be amortized until the research and development efforts are complete or end. The goodwill is not expected to be deducted for tax purposes. Blue River is included in the company's agriculture and turf operating segment.

In March 2016, the company acquired an 80 percent interest in Hagie Manufacturing Company, LLC, the U.S. market leader in high-clearance sprayers located in Clarion, Iowa, for a cost of approximately $53 million, net of cash acquired of $3 million. The fair values assigned to the assets and liabilities related to the acquired entity were approximately $2 million of trade receivables, $33 million of inventories, $17 million of property and equipment, $33 million of goodwill, $22 million of identifiable intangible assets, $3 million of other assets, and $43 million of accounts payable and accrued expenses, with a $14 million redeemable noncontrolling interest. The identifiable intangibles were primarily related to technology, trade name and customer relationships, which have a weighted average amortization period of eight years. The goodwill is deductible for tax purposes. If certain events occur, the minority interest holder has the right to exercise a put option that would require the company to purchase the holder's membership interest. The company also has a call option exercisable after a certain period of time. The put and call options cannot be separated from the noncontrolling interest. Due to the redemption features, the minority interest holder's value is classified as a redeemable noncontrolling interest in the company's consolidated balance sheet.

In February 2016, the company acquired Monosem for a cost of approximately $146 million, net of cash acquired of $20 million. Monosem, with four facilities in France and two in the U.S., is the European market leader in precision planters. The fair values assigned to the assets and liabilities related to the acquired entity were approximately $5 million of trade receivables, $2 million of other receivables, $29 million of inventories, $24 million of property and equipment, $62 million of goodwill, $42 million of identifiable intangible assets, $23 million of other assets, $22 million of accounts payable and accrued expenses, and $19 million of deferred tax liabilities. The identifiable intangibles were primarily related to trade name, customer relationships and technology, which have a weighted average amortization period of nine years. The goodwill is not deductible for tax purposes.

For the 2017 and 2016 acquisitions, the entities were consolidated and the results of these operations have been included in the company's consolidated financial statements in the agriculture and turf operating segment since the dates of acquisition. The pro forma results of operations as if the acquisitions had occurred at the beginning of the current or comparative fiscal year would not differ significantly from the reported results.

In March 2015, the company closed the sale of all of the stock of its wholly-owned subsidiaries, John Deere Insurance Company and John Deere Risk Protection, Inc. to Farmers Mutual Hail Insurance Company of Iowa. These operations were included in the company's financial services operating segment. The total amount of proceeds from the sale was approximately $154 million, including $5 million of cash and cash equivalents sold, with a gain recorded in other income of $42 million pretax and $40 million after-tax. The tax expense was partially offset by a change in a valuation allowance on a capital loss carryforward. The company provided certain business services for a fee during a transition period.

5. SPECIAL ITEMS

Impairments

In the fourth quarter of 2017, the company recorded a non-cash charge of $40 million pretax in equity in loss of unconsolidated affiliates for an other than temporary decline in value of an investment in an international construction equipment manufacturer with a $14 million income tax benefit recorded in the provision for income taxes (see Note 26).

In the fourth quarter of 2016, the company recorded a non-cash charge in cost of sales for the impairment of long-lived assets of $13 million pretax and after-tax. The assets are part of the company's construction and forestry operations in China. The impairment is the result of a decline in forecasted financial performance that indicated it was probable the future cash flows would not cover the carrying amount of assets used to manufacture construction equipment in that country. In addition, the company recorded a non-cash charge of $12 million pretax and after-tax, in equity in loss of unconsolidated affiliates for an other than temporary decline in value of an investment in a construction equipment joint venture in Brazil (see Note 26).

In 2016, the company recorded non-cash charges in other operating expenses of approximately $31 million pretax for the impairment of equipment on operating leases and approximately $29 million pretax on matured operating lease inventory recorded in other assets. The impairment was the result of lower estimated values of used agriculture and construction equipment than originally estimated with the probable effect that the future cash flows would not cover the carrying amount of the net assets. The assets are part of the financial services operations (see Note 26).

Voluntary Employee-Separation Programs

During the fourth quarter of 2016, the company announced voluntary employee-separation programs as part of its effort to reduce operating costs. The programs provided for cash payments based on previous years of service. The expense was recorded in the period the employees accepted the separation offer. The programs' total pretax expenses were $113 million, of which $11 million was recorded in the fourth quarter of 2016 and $102 million in 2017. The total 2017 expenses were allocated approximately 30 percent cost of sales, 16 percent research and development, and 54 percent selling, administrative and general. In addition, the expenses were allocated 75 percent to agriculture and turf operations, 17 percent to the construction and forestry operations, and 8 percent to the financial services operations. Savings from these programs were estimated to be approximately $70 million in 2017.

Sale of Investment in Unconsolidated Affiliate

In December 2016, the company sold approximately 38 percent of its interest in SiteOne Landscape Supply, Inc. (SiteOne) resulting in gross proceeds of $114 million and a gain of $105 million pretax or $66 million after-tax. In April 2017, the company sold an additional 68 percent of its then remaining interest in SiteOne resulting in gross proceeds of $184 million and a gain of $176 million pretax or $111 million after-tax. In July 2017, the company sold its remaining interest in SiteOne resulting in gross proceeds of $98 million and a gain of $94 million pretax or $59 million after-tax. The gains were recorded in other income in the agriculture and turf operating segment.

After the December 2016 sale, the company retained approximately a 15 percent ownership interest in SiteOne and approximately a 5 percent ownership interest after the April sale. Prior to April 2017, the company's representation on the SiteOne board of directors allowed the company to exercise significant influence, and therefore, the investment in SiteOne was accounted for using the equity method. In March 2017, the company reduced its representation on the SiteOne board of directors. As a result, beginning April 2017 the investment in SiteOne was recorded as an available-for-sale security and presented in marketable securities.

In May 2016, the company received a distribution of $60 million from SiteOne that reduced the company's investment in unconsolidated affiliates. The distribution included $4 million of a return on investment, which is shown in the statement of consolidated cash flows in undistributed earnings of unconsolidated affiliates in net cash provided by operating activities and $56 million of a return of investment shown in other cash flows from investing activities. In May 2016, the company also sold approximately 30 percent of its interest in SiteOne in an initial public offering and terminated a service agreement resulting in gross proceeds of approximately $81 million with a total gain of $75 million pretax or $47 million after-tax. The gain was recorded in other income in the agriculture and turf operating segment. The company retained approximately a 24 percent ownership interest in SiteOne after the May 2016 sale.

6. CASH FLOW INFORMATION

For purposes of the statement of consolidated cash flows, the company considers investments with purchased maturities of three months or less to be cash equivalents. Substantially all of the company's short-term borrowings, excluding the current maturities of long-term borrowings, mature or may require payment within three months or less.

The equipment operations sell a significant portion of their trade receivables to financial services. These intercompany cash flows are eliminated in the consolidated cash flows.

All cash flows from the changes in trade accounts and notes receivable (see Note 12) are classified as operating activities in the statement of consolidated cash flows as these receivables arise from sales to the company's customers. Cash flows from financing receivables that are related to sales to the company's customers (see Note 12) are also included in operating activities. The remaining financing receivables are related to the financing of equipment sold by independent dealers and are included in investing activities.

The company had the following non-cash operating and investing activities that were not included in the statement of consolidated cash flows. The company transferred inventory to equipment on operating leases of $801 million, $685 million, and $674 million in 2017, 2016, and 2015, respectively. The company also had accounts payable related to purchases of property and equipment of $108 million, $114 million, and $89 million at October 29, 2017, October 30, 2016, and November 1, 2015, respectively.

Cash payments for interest and income taxes consisted of the following in millions of dollars:

	2017	2016	2015
Interest:			
Equipment operations	$ 506	$ 442	$ 471
Financial services	665	524	443
Intercompany eliminations	(268)	(240)	(253)
Consolidated	$ 903	$ 726	$ 661
Income taxes:			
Equipment operations	$ 898	$ 314	$ 828
Financial services	92	(26)	190
Intercompany eliminations	(9)	104	(117)
Consolidated	$ 981	$ 392	$ 901

7. PENSION AND OTHER POSTRETIREMENT BENEFITS

The company has several defined benefit pension plans and postretirement health care and life insurance plans covering its U.S. employees and employees in certain foreign countries. The company uses an October 31 measurement date for these plans.

The components of net periodic pension cost and the assumptions related to the cost consisted of the following in millions of dollars and in percents:

	2017	2016	2015
Pensions			
Service cost	$ 274	$ 254	$ 282
Interest cost	361	391	474
Expected return on plan assets	(790)	(775)	(769)
Amortization of actuarial loss	247	211	223
Amortization of prior service cost	12	16	25
Other postemployment benefits		2	1
Settlements/curtailments	2	11	11
Net cost	$ 106	$ 110	$ 247
Weighted-average assumptions			
Discount rates – service cost	3.5%	4.3%	4.0%
Discount rates – interest cost	3.0%	3.4%	4.0%
Rate of compensation increase	3.8%	3.8%	3.8%
Expected long-term rates of return	7.3%	7.3%	7.3%

The components of net periodic postretirement benefits cost and the assumptions related to the cost consisted of the following in millions of dollars and in percents:

	2017	2016	2015
Health care and life insurance			
Service cost	$ 42	$ 38	$ 46
Interest cost	194	204	259
Expected return on plan assets	(17)	(35)	(55)
Amortization of actuarial loss	99	73	91
Amortization of prior service credit	(77)	(78)	(77)
Settlements/curtailments			1
Net cost	$ 241	$ 202	$ 265
Weighted-average assumptions			
Discount rates – service cost	4.7%	5.0%	4.2%
Discount rates – interest cost	3.2%	3.5%	4.2%
Expected long-term rates of return	6.3%	6.6%	7.0%

In 2016, the company changed the method used to estimate the service and interest cost components of the net periodic pension and postretirement benefits cost. This method uses the spot yield curve approach to estimate the service and interest cost by applying the specific spot rates along the yield curve used to determine the benefit plan obligations to relevant projected cash outflows. For 2015, the service and interest cost components were determined using a single weighted-average discount rate. The change did not affect the measurement of the total benefit plan obligations as the change in service and interest cost offsets in the actuarial gains and losses recorded in other comprehensive income. The spot yield curve approach provides a more precise measure of service and interest cost by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. The company accounted for this change as a change in estimate prospectively beginning in 2016. The decrease in the 2016 total service and interest cost was approximately $175 million compared to the previous method.

The previous pension cost in net income and other changes in plan assets and benefit obligations in other comprehensive income in millions of dollars were as follows:

	2017	2016	2015
Pensions			
Net cost	$ 106	$ 110	$ 247
Retirement benefit adjustments included in other comprehensive (income) loss:			
Net actuarial (gain) loss	(702)	1,140	361
Prior service cost		1	66
Amortization of actuarial loss	(247)	(211)	(223)
Amortization of prior service cost	(12)	(16)	(25)
Settlements/curtailments	(2)	(14)	(11)
Total (gain) loss recognized in other comprehensive (income) loss	(963)	900	168
Total recognized in comprehensive (income) loss	$ (857)	$ 1,010	$ 415

The previous postretirement benefits cost in net income and other changes in plan assets and benefit obligations in other comprehensive income in millions of dollars were as follows:

	2017	2016	2015
Health care and life insurance			
Net cost	$ 241	$ 202	$ 265
Retirement benefit adjustments included in other comprehensive (income) loss:			
Net actuarial (gain) loss	(309)	496	(141)
Prior service credit		(3)	(3)
Amortization of actuarial loss	(99)	(73)	(91)
Amortization of prior service credit	77	78	77
Settlements/curtailments			(2)
Total (gain) loss recognized in other comprehensive (income) loss	(331)	498	(160)
Total recognized in comprehensive (income) loss	$ (90)	$ 700	$ 105

The benefit plan obligations, funded status, and the assumptions related to the obligations at October 29, 2017 and October 30, 2016, respectively, in millions of dollars follow:

	Pensions		Health Care and Life Insurance	
	2017	2016	2017	2016
Change in benefit obligations				
Beginning of year balance	$(13,086)	$(12,186)	$(6,500)	$(6,084)
Service cost	(274)	(254)	(42)	(38)
Interest cost	(361)	(391)	(194)	(204)
Actuarial gain (loss)	(35)	(1,001)	280	(478)
Amendments		(1)		3
Benefits paid	704	702	312	321
Health care subsidies			(9)	(16)
Other postemployment benefits		(2)		
Settlements/curtailments	2	6		
Foreign exchange and other	(116)	41	(9)	(4)
End of year balance	(13,166)	(13,086)	(6,162)	(6,500)
Change in plan assets (fair value)				
Beginning of year balance	11,137	11,164	435	689
Actual return on plan assets	1,517	628	46	17
Employer contribution	62	80	366	47
Benefits paid	(704)	(702)	(312)	(321)
Settlements	(2)	(3)		
Foreign exchange and other	83	(30)	4	3
End of year balance	12,093	11,137	539	435
Funded status	$ (1,073)	$ (1,949)	$(5,623)	$(6,065)
Weighted-average assumptions				
Discount rates	3.6%	3.6%	3.7%	3.8%
Rate of compensation increase	3.8%	3.8%		

In the fourth quarter of 2015, the company decided to transition Medicare eligible wage and certain Medicare eligible salaried retirees to a Medicare Advantage plan offered by a private insurance company effective in January 2016. This change did not affect the participants' level of benefits and resulted in cost savings for the company.

The mortality assumptions for the 2017 and 2016 benefit plan obligations reflect the most recent tables issued by the Society of Actuaries at that time.

The amounts recognized at October 29, 2017 and October 30, 2016, respectively, in millions of dollars consist of the following:

	Pensions		Health Care and Life Insurance	
	2017	2016	2017	2016
Amounts recognized in balance sheet				
Noncurrent asset	$ 538	$ 94		
Current liability	(40)	(33)	$ (63)	$ (32)
Noncurrent liability	(1,571)	(2,010)	(5,560)	(6,033)
Total	$(1,073)	$(1,949)	$(5,623)	$(6,065)
Amounts recognized in accumulated other comprehensive income – pretax				
Net actuarial loss	$ 4,358	$ 5,309	$ 1,457	$ 1,865
Prior service cost (credit)	55	67	(182)	(259)
Total	$ 4,413	$ 5,376	$ 1,275	$ 1,606

The total accumulated benefit obligations for all pension plans at October 29, 2017 and October 30, 2016, was $12,416 million and $12,410 million, respectively.

The accumulated benefit obligations and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $8,234 million and $7,345 million, respectively, at October 29, 2017 and $8,402 million and $7,016 million, respectively, at October 30, 2016. The projected benefit obligations and fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets were $9,059 million and $7,448 million, respectively, at October 29, 2017 and $9,157 million and $7,114 million, respectively, at October 30, 2016.

The amounts in accumulated other comprehensive income that are expected to be amortized as net expense (income) and reported outside of income from operations during fiscal 2018 in millions of dollars follow:

	Pensions	Health Care and Life Insurance
Net actuarial loss	$ 225	$ 67
Prior service cost (credit)	12	(77)
Total	$ 237	$ (10)

Actuarial gains and losses are recorded in accumulated other comprehensive income (loss). To the extent unamortized gains and losses exceed 10% of the higher of the market-related value of assets or the benefit obligation, the excess is amortized as a component of net periodic cost over the remaining service period of the active participants. For plans in which all or almost all of the plan's participants are inactive, the amortization period is the remaining life expectancy of the inactive participants.

The company expects to contribute approximately $63 million to its pension plans and approximately $74 million to its health care and life insurance plans in 2018, which are primarily direct benefit payments for unfunded plans.

The benefits expected to be paid from the benefit plans, which reflect expected future years of service, are as follows in millions of dollars:

	Pensions	Health Care and Life Insurance*
2018	$ 721	$ 334
2019	726	337
2020	713	342
2021	701	346
2022	693	352
2023 to 2027	3,458	1,758

* Net of prescription drug group benefit subsidy under Medicare Part D.

The annual rates of increase in the per capita cost of covered health care benefits (the health care cost trend rates) used to determine accumulated postretirement benefit obligations were based on the trends for medical and prescription drug claims for pre- and post-65 age groups due to the effects of Medicare. For the 2017 actuarial valuation, the weighted-average composite trend rates for these obligations were assumed to be an 8.9 percent increase from 2017 to 2018, gradually decreasing to 4.8 percent from 2024 to 2025 and all future years. The 2016 obligations and the cost in 2017 assumed an 8.3 percent increase from 2016 to 2017, gradually decreasing to 4.8 percent from 2024 to 2025 and all future years. An increase of one percentage point in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligations by $791 million and the aggregate of service and interest cost component of net periodic postretirement benefits cost for the year by $36 million. A decrease of one percentage point would decrease the obligations by $615 million and the cost by $27 million.

The discount rate assumptions used to determine the postretirement obligations for all periods presented were based on hypothetical AA yield curves represented by a series of annualized individual discount rates. These discount rates represent the rates at which the company's benefit obligations could effectively be settled at the October 31 measurement dates.

Fair value measurement levels in the following tables are defined in Note 26.

The fair values of the pension plan assets at October 29, 2017 follow in millions of dollars:

	Total	Level 1	Level 2
Cash and short-term investments	$ 618	$ 349	$ 269
Equity:			
U.S. equity securities	1,871	1,850	21
International equity securities	1,551	1,541	10
Fixed Income:			
Government and agency securities	483	241	242
Corporate debt securities	1,285		1,285
Mortgage-backed securities	42		42
Real estate	103	101	2
Derivative contracts – assets*	159	28	131
Derivative contracts – liabilities**	(76)	(2)	(74)
Receivables, payables, and other	1	1	
Securities lending collateral	420		420
Securities lending liability	(420)		(420)
Securities sold short	(379)	(375)	(4)
Total of Level 1 and Level 2 assets	5,658	$3,734	$1,924
Investments at net asset value:			
Short-term investments	203		
U.S. equity funds	1,704		
International equity funds	921		
Corporate debt funds	28		
Fixed income funds	772		
Real estate	567		
Hedge funds	651		
Private equity/venture capital	1,560		
Other investments	29		
Total net assets	$12,093		

* Includes contracts for interest rates of $79 million, foreign currency of $49 million, equity of $27 million, and other of $4 million.

** Includes contracts for interest rates of $48 million, foreign currency of $26 million, and other of $2 million.

The fair values of the health care assets at October 29, 2017 follow in millions of dollars:

	Total	Level 1	Level 2
Cash and short-term investments	$ 30	$ 28	$ 2
Equity:			
U.S. equity securities and funds	42	42	
International equity securities	9	9	
Fixed Income:			
Government and agency securities	40	37	3
Corporate debt securities	21		21
Mortgage-backed securities	10		10
Real estate	1	1	
Interest rate derivative contracts – assets	1		1
Securities lending collateral	25		25
Securities lending liability	(25)		(25)
Securities sold short	(2)	(2)	
Total of Level 1 and Level 2 assets	152	$ 115	$ 37
Investments at net asset value:			
Short-term investments	1		
U.S. equity funds	164		
International equity funds	117		
Fixed income funds	87		
Real estate funds	4		
Hedge funds	4		
Private equity/venture capital	10		
Total net assets	$ 539		

The fair values of the pension plan assets at October 30, 2016 follow in millions of dollars:

	Total	Level 1	Level 2
Cash and short-term investments	$ 684	$ 322	$ 362
Equity:			
U.S. equity securities and funds	3,000	2,965	35
International equity securities and funds	1,711	1,697	14
Fixed Income:			
Government and agency securities	440	224	216
Corporate debt securities	1,205		1,205
Mortgage-backed securities	39		39
Fixed income funds	20	20	
Real estate	121	118	3
Derivative contracts – assets*	191	3	188
Derivative contracts – liabilities**	(59)	(14)	(45)
Receivables, payables, and other	6	5	1
Securities lending collateral	693	108	585
Securities lending liability	(693)	(108)	(585)
Securities sold short	(338)	(333)	(5)
Total of Level 1 and Level 2 assets	7,020	$5,007	$2,013
Investments at net asset value:			
Short-term investments	216		
U.S. equity funds	30		
International equity funds	595		
Corporate debt funds	25		
Fixed income funds	482		
Real estate	515		
Hedge funds	624		
Private equity/venture capital	1,603		
Other investments	27		
Total net assets	$11,137		

* Includes contracts for interest rates of $125 million, foreign currency of $59 million, equity of $4 million, and other of $3 million.

** Includes contracts for interest rates of $19 million, foreign currency of $33 million, equity of $6 million, and other of $1 million.

The fair values of the health care assets at October 30, 2016 follow in millions of dollars:

	Total	Level 1	Level 2
Cash and short-term investments	$ 32	$ 27	$ 5
Equity:			
U.S. equity securities and funds	138	138	
International equity securities and funds	25	25	
Fixed Income:			
Government and agency securities	43	40	3
Corporate debt securities	30		30
Mortgage-backed securities	11		11
Real estate	2	2	
Derivative contracts – assets*	3		3
Securities lending collateral	48	11	37
Securities lending liability	(48)	(11)	(37)
Securities sold short	(5)	(5)	
Total of Level 1 and Level 2 assets	279	$ 227	$ 52
Investments at net asset value:			
Short-term investments	3		
International equity funds	60		
Fixed income funds	20		
Real estate funds	7		
Hedge funds	44		
Private equity/venture capital	22		
Total net assets	$ 435		

* Includes contracts for interest rates of $2 million and foreign currency of $1 million.

Investments at net asset value in the preceeding tables are measured at fair value using net asset value per share, and therefore, are not classified in the fair value hierarchy.

Fair values are determined as follows:

Cash and Short-Term Investments – Includes accounts that are valued based on the account value, which approximates fair value, and investment funds that are valued on the fund's net asset value (NAV) based on the fair value of the underlying securities. Also included are securities that are valued using a market approach (matrix pricing model) in which all significant inputs are observable or can be derived from or corroborated by observable market data.

Equity Securities and Funds – The values are determined primarily by closing prices in the active market in which the equity investment trades, or the fund's NAV, based on the fair value of the underlying securities.

Fixed Income Securities and Funds – The securities are valued using either a market approach (matrix pricing model) in which all significant inputs are observable or can be derived from or corroborated by observable market data such as interest rates, yield curves, volatilities, credit risk, and prepayment speeds, or they are valued using the closing prices in the active market in which the fixed income investment trades. Fixed income funds are valued using the fund's NAV, based on the fair value of the underlying securities or closing prices in the active market in which the investment trades.

Real Estate, Venture Capital, Private Equity, Hedge Funds, and Other – The investments that are structured as limited partnerships are valued at estimated fair value based on their proportionate share of the limited partnership's fair value that is determined by the respective general partner. These investments are valued using a combination of NAV, an income approach (primarily estimated cash flows discounted over the expected holding period), or market approach (primarily the valuation of similar securities and properties). Real estate investment trusts are primarily valued at the closing prices in the active markets in which the investment trades. Real estate funds and other investments are primarily valued at NAV, based on the fair value of the underlying securities.

Interest Rate, Foreign Currency, and Other Derivative Instruments – The derivatives are valued using either an income approach (discounted cash flow) using market observable inputs, including swap curves and both forward and spot exchange rates, or a market approach (closing prices in the active market in which the derivative instrument trades).

The primary investment objective for the pension and health care plans assets is to maximize the growth of these assets to support the projected obligations to the beneficiaries over a long period of time, and to do so in a manner that is consistent with the company's risk tolerance. The asset allocation policy is the most important decision in managing the assets and it is reviewed regularly. The asset allocation policy considers the company's long-term asset class risk/return expectations since the obligations are long-term in nature. The current target allocations for pension assets are approximately 49 percent for equity securities, 27 percent for debt securities, 5 percent for real estate, and 19 percent for other investments. The target allocations for health care assets are approximately 59 percent for equity securities, 29 percent for debt securities, 1 percent for real estate, and 11 percent for other investments. The allocation percentages above include the effects of combining derivatives with other investments to manage asset allocations and exposures to interest rates and foreign currency exchange. The assets are well diversified and are managed by professional investment firms as well as by investment professionals who are company employees. As a result of the company's diversified investment policy, there were no significant concentrations of risk.

The expected long-term rate of return on plan assets reflects management's expectations of long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations. A market related value of plan assets is used to calculate the expected return on assets. The market related value recognizes changes in the fair value of pension plan assets systematically over a five-year period. The market related value of the health care plan assets equals fair value. The expected return is based on the outlook for inflation and for returns in multiple asset classes, while also considering historical returns, asset allocation, and investment strategy. The company's approach has emphasized the long-term nature of the return estimate such that the return assumption is not changed significantly unless there are fundamental changes in capital markets that affect the company's expectations for returns over an extended period of time (i.e., 10 to 20 years).

The average annual return of the company's U.S. pension fund was approximately 7.2 percent during the past ten years and approximately 8.3 percent during the past 20 years. Since return premiums over inflation and total returns for major asset classes vary widely even over ten-year periods, recent history is not necessarily indicative of long-term future expected returns. The company's systematic methodology for determining the long-term rate of return for the company's investment strategies supports its long-term expected return assumptions.

The company has created certain Voluntary Employees' Beneficiary Association trusts (VEBAs) for the funding of postretirement health care benefits. The future expected asset returns for these VEBAs are lower than the expected return on the other pension and health care plan assets due to investment in a higher proportion of liquid securities. These assets are in addition to the other postretirement health care plan assets that have been funded under Section 401(h) of the U.S. Internal Revenue Code and maintained in a separate account in the company's pension plan trust.

The company has defined contribution plans related to employee investment and savings plans primarily in the U.S. The company's contributions and costs under these plans were $188 million in 2017, $193 million in 2016, and $185 million in 2015. The contribution rate varies primarily based on the company's performance in the prior year and employee participation in the plans.

8. INCOME TAXES

The provision for income taxes by taxing jurisdiction and by significant component consisted of the following in millions of dollars:

	2017	2016	2015
Current:			
U.S.:			
Federal	$ 360	$ 51	$ 377
State	48	26	32
Foreign	463	340	449
Total current	871	417	858
Deferred:			
U.S.:			
Federal	59	297	21
State	7	11	4
Foreign	34	(25)	(43)
Total deferred	100	283	(18)
Provision for income taxes	$ 971	$ 700	$ 840

Based upon the location of the company's operations, the consolidated income before income taxes in the U.S. in 2017, 2016, and 2015 was $1,607 million, $967 million, and $1,838 million, respectively, and in foreign countries was $1,547 million, $1,257 million, and $942 million, respectively. Certain foreign operations are branches of Deere & Company and are subject to U.S. as well as foreign income tax regulations. The pretax income by location and the preceding analysis of the income tax provision by taxing jurisdiction are not directly related.

A comparison of the statutory and effective income tax provision and reasons for related differences in millions of dollars follow:

	2017	2016	2015
U.S. federal income tax provision at a statutory rate of 35 percent	$1,104	$ 778	$ 973
Increase (decrease) resulting from:			
State and local income taxes, net of federal income tax benefit	35	26	23
Differences in taxability of foreign earnings	(83)	(107)	(449)
Nondeductible impairment charges		4	
Research and business tax credits	(63)	(57)	(76)
Tax rates on foreign earnings	(86)	(27)	(36)
Valuation allowance on deferred taxes	89	79	384
Other-net	(25)	4	21
Provision for income taxes	$ 971	$ 700	$ 840

At October 29, 2017, accumulated earnings in certain subsidiaries outside the U.S. totaled $5,961 million for which no provision for U.S. income taxes or foreign withholding taxes has been made because it is expected that such earnings will be reinvested outside the U.S. indefinitely. Determination of the amount of unrecognized deferred tax liability on these unremitted earnings is not practicable. At October 29, 2017, the amount of cash and cash equivalents and marketable securities held by these foreign subsidiaries, in which earnings are considered indefinitely reinvested, was $3,386 million.

Deferred income taxes arise because there are certain items that are treated differently for financial accounting than for income tax reporting purposes. An analysis of the deferred income tax assets and liabilities at October 29, 2017 and October 30, 2016 in millions of dollars follows:

	2017		2016	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Other postretirement benefit liabilities	$2,011		$ 2,191	
Lease transactions		$ 933		$ 817
Tax loss and tax credit carryforwards	677		661	
Accrual for sales allowances	680		592	
Tax over book depreciation		569		578
Pension liability – net	420		706	
Foreign unrealized losses	7		472	
Accrual for employee benefits	141		133	
Share-based compensation	116		152	
Goodwill and other intangible assets		130		89
Allowance for credit losses	107		88	
Deferred compensation	59		50	
Undistributed foreign earnings		21		30
Other items	432	172	471	175
Less valuation allowances	(620)		(1,029)	
Deferred income tax assets and liabilities	$4,030	$1,825	$ 4,487	$1,689

Deere & Company files a consolidated federal income tax return in the U.S., which includes the wholly-owned financial services subsidiaries. These subsidiaries account for income taxes generally as if they filed separate income tax returns.

At October 29, 2017, certain tax loss and tax credit carryforwards of $677 million were available with $209 million expiring from 2018 through 2037 and $468 million with an indefinite carryforward period.

A reconciliation of the total amounts of unrecognized tax benefits at October 29, 2017, October 30, 2016, and November 1, 2015 in millions of dollars follows:

	2017	2016	2015
Beginning of year balance	$198	$229	$213
Increases to tax positions taken during the current year	35	14	32
Increases to tax positions taken during prior years	13	11	29
Decreases to tax positions taken during prior years	(17)	(36)	(15)
Decreases due to lapse of statute of limitations	(11)	(7)	(11)
Settlements	(1)	(5)	(6)
Foreign exchange	4	(8)	(13)
End of year balance	$221	$198	$229

The amount of unrecognized tax benefits at October 29, 2017 and October 30, 2016 that would affect the effective tax rate if the tax benefits were recognized was $86 million and $81 million, respectively. The remaining liability was related to tax positions for which there are offsetting tax receivables, or the uncertainty was only related to timing. The company expects that any reasonably possible change in the amounts of unrecognized tax benefits in the next twelve months would not be significant.

The company files its tax returns according to the tax laws of the jurisdictions in which it operates, which includes the U.S. federal jurisdiction and various state and foreign jurisdictions. The U.S. Internal Revenue Service has completed the examination of the company's federal income tax returns for periods prior to 2009. The years 2009 through 2014 federal income tax returns are currently under examination. Various state and foreign income tax returns, including major tax jurisdictions in Canada and Germany, also remain subject to examination by taxing authorities.

The company's policy is to recognize interest related to income taxes in interest expense and interest income and recognize penalties in selling, administrative and general expenses. During 2017, 2016, and 2015, the total amount of expense from interest and penalties was $6 million, none, and $23 million and the interest income was $6 million, none, and $3 million, respectively. At October 29, 2017 and October 30, 2016, the liability for accrued interest and penalties totaled $66 million and $68 million, respectively, and there was no receivable for interest at either year-end.

9. OTHER INCOME AND OTHER OPERATING EXPENSES

The major components of other income and other operating expenses consisted of the following in millions of dollars:

	2017	2016	2015
Other income			
Revenues from services	$ 288	$ 270	$ 280
Insurance premiums and fees earned**	211	195	173
SiteOne investment gains*	375	75	
Investment income	17	16	26
Other	230	190	228
Total	$1,121	$ 746	$ 707
Other operating expenses			
Depreciation of equipment on operating leases	$ 853	$ 742	$ 577
Insurance claims and expenses**	187	188	183
Cost of services	168	162	160
Other	109	163	41
Total	$1,317	$1,255	$ 961

* See Note 5.
** Primarily related to extended warranties (see Note 22).

10. UNCONSOLIDATED AFFILIATED COMPANIES

Unconsolidated affiliated companies are companies in which Deere & Company generally owns 20 percent to 50 percent of the outstanding voting shares. Deere & Company does not control these companies and accounts for its investments in them on the equity basis. The investments in these companies primarily consist of Bell Equipment Limited (31 percent ownership), Deere-Hitachi Construction Machinery Corporation (50 percent ownership), and Deere-Hitachi Maquinas de Construcao do Brasil S.A. (50 percent ownership). In 2017, the company sold its interest in SiteOne (see Note 5). The unconsolidated affiliated companies primarily manufacture or market equipment. Deere & Company's share of the income or loss of these companies is reported in the consolidated income statement under "Equity in income (loss) of unconsolidated affiliates." The investment in these companies is reported in the consolidated balance sheet under "Investments in unconsolidated affiliates."

Combined financial information of the unconsolidated affiliated companies in millions of dollars follows:

Operations	2017	2016	2015
Sales	$2,638	$3,206	$3,290
Net income	7	30	23
Deere & Company's equity in net income (loss)	(24)	(2)	1

Financial Position	2017	2016
Total assets	$1,488	$2,201
Total external borrowings	451	909
Total net assets	542	677
Deere & Company's share of the net assets	182	233

Consolidated retained earnings at October 29, 2017 include undistributed earnings of the unconsolidated affiliates of $123 million. Dividends from unconsolidated affiliates were $4 million in 2017, $64 million in 2016 (see Note 5), and $1 million in 2015.

In the ordinary course of business, the company purchases and sells components and finished goods to the unconsolidated affiliated companies. Transactions with unconsolidated affiliated companies reported in the statement of consolidated income in millions of dollars follow:

	2017	2016	2015
Net sales	$ 84	$ 45	$ 37
Purchases	1,331	1,016	1,284

11. MARKETABLE SECURITIES

All marketable securities are classified as available-for-sale, with unrealized gains and losses shown as a component of stockholders' equity. Realized gains or losses from the sales of marketable securities are based on the specific identification method.

The amortized cost and fair value of marketable securities at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2017				
Equity fund	$ 37	$ 11		$ 48
Fixed income fund	15			15
U.S. government debt securities	76	1		77
Municipal debt securities	39	1	$ 1	39
Corporate debt securities	133	3	1	135
International debt securities	22		2	20
Mortgage-backed securities*	119	1	2	118
Marketable securities	$ 441	$ 17	$ 6	$ 452
2016				
Equity fund	$ 40	$ 5		$ 45
Fixed income fund	15			15
U.S. government debt securities	85	3		88
Municipal debt securities	41	2		43
Corporate debt securities	113	5		118
International debt securities	39		$ 5	34
Mortgage-backed securities*	109	2		111
Marketable securities	$ 442	$ 17	$ 5	$ 454

* Primarily issued by U.S. government sponsored enterprises.

The contractual maturities of debt securities at October 29, 2017 in millions of dollars follow:

	Amortized Cost	Fair Value
Due in one year or less	$ 26	$ 25
Due after one through five years	111	110
Due after five through 10 years	83	84
Due after 10 years	50	52
Mortgage-backed securities	119	118
Debt securities	$ 389	$ 389

Actual maturities may differ from contractual maturities because some securities may be called or prepaid. Because of the potential for prepayment on mortgage-backed securities, they are not categorized by contractual maturity. Proceeds from the sales of available-for-sale securities were $403 million in 2017, $62 million in 2016, and $120 million in 2015. Realized gains were $275 million in 2017 (see Note 5), and not significant in 2016 and 2015. Realized losses, the increase (decrease) in net unrealized gains or losses, and unrealized losses that have been continuous for over twelve months were not significant in 2017, 2016, and 2015. Unrealized losses at October 29, 2017 and October 30, 2016 were primarily the result of an increase in interest rates and were not recognized in income due to the ability and intent to hold to maturity. There were no significant impairment write-downs in the periods reported.

12. RECEIVABLES

Trade Accounts and Notes Receivable

Trade accounts and notes receivable at October 29, 2017 and October 30, 2016 in millions of dollars follows:

	2017	2016
Trade accounts and notes:		
Agriculture and turf	$2,991	$2,438
Construction and forestry	934	573
Trade accounts and notes receivable – net	$3,925	$3,011

At October 29, 2017 and October 30, 2016, dealer notes included in the previous table were $140 million and $143 million, and the allowance for credit losses was $56 million and $50 million, respectively.

The equipment operations sell a significant portion of their trade receivables to financial services and provide compensation to these operations at approximate market rates of interest.

Trade accounts and notes receivable primarily arise from sales of goods to independent dealers. Under the terms of the sales to dealers, interest is primarily charged to dealers on outstanding balances, from the earlier of the date when goods are sold to retail customers by the dealer or the expiration of certain interest-free periods granted at the time of the sale to the dealer, until payment is received by the company. Dealers cannot cancel purchases after the equipment is shipped and are responsible for payment even if the equipment is not sold to retail customers. The interest-free periods are determined based on the type of equipment sold and the time of year of the sale. These periods range from one to twelve months for most equipment. Interest-free periods may not be extended. Interest charged may not be forgiven and the past due interest rates exceed market rates. The company evaluates and assesses dealers on an ongoing basis as to their creditworthiness and generally retains a security interest in the goods associated with the trade receivables. In certain jurisdictions, the company is obligated to repurchase goods sold to a dealer upon cancellation or termination of the dealer's contract for such causes as change in ownership and closeout of the business.

Trade accounts and notes receivable have significant concentrations of credit risk in the agriculture and turf sector and construction and forestry sector as shown in the previous table. On a geographic basis, there is not a disproportionate concentration of credit risk in any area.

Financing Receivables

Financing receivables at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	2017		2016	
	Unrestricted	Securitized	Unrestricted	Securitized
Retail notes:				
Agriculture and turf	$15,200	$ 3,651	$14,152	$4,615
Construction and forestry	2,297	599	2,201	620
Total	17,497	4,250	16,353	5,235
Wholesale notes	3,653		3,971	
Revolving charge accounts	3,629		3,135	
Financing leases (direct and sales-type)	1,613		1,326	
Total financing receivables	26,392	4,250	24,785	5,235
Less:				
Unearned finance income:				
Retail notes	972	78	812	94
Financing leases	142		109	
Total	1,114	78	921	94
Allowance for credit losses	174	13	162	14
Financing receivables – net	$25,104	$ 4,159	$23,702	$5,127

The residual values for investments in financing leases at October 29, 2017 and October 30, 2016 totaled $244 million and $156 million, respectively.

Financing receivables have significant concentrations of credit risk in the agriculture and turf sector and construction and forestry sector as shown in the previous table. On a geographic basis, there is not a disproportionate concentration of credit risk in any area. The company generally retains as collateral a security interest in the equipment associated with retail notes, wholesale notes, and financing leases.

Financing receivables at October 29, 2017 and October 30, 2016 related to the company's sales of equipment that were included in the table above consisted of the following in millions of dollars:

	2017	2016
	Unrestricted	Unrestricted
Retail notes*:		
Agriculture and turf	$2,099	$1,896
Construction and forestry	368	336
Total	2,467	2,232
Wholesale notes	3,653	3,971
Sales-type leases	763	648
Total	6,883	6,851
Less:		
Unearned finance income:		
Retail notes	231	202
Sales-type leases	53	42
Total	284	244
Financing receivables related to the company's sales of equipment	$6,599	$6,607

* These retail notes generally arise from sales of equipment by company-owned dealers or through direct sales.

Financing receivable installments, including unearned finance income, at October 29, 2017 and October 30, 2016 are scheduled as follows in millions of dollars:

	2017		2016	
	Unrestricted/Securitized		Unrestricted/Securitized	
Due in months:				
0 – 12	$13,237	$ 2,027	$12,835	$ 2,269
13 – 24	5,056	1,256	4,760	1,536
25 – 36	3,708	672	3,386	931
37 – 48	2,518	243	2,219	408
49 – 60	1,398	50	1,181	84
Thereafter	475	2	404	7
Total	$26,392	$ 4,250	$24,785	$ 5,235

The maximum terms for retail notes are generally seven years for agriculture and turf equipment and five years for construction and forestry equipment. The maximum term for financing leases is generally five years, while the average term for wholesale notes is less than twelve months.

At October 29, 2017 and October 30, 2016, the unpaid balances of receivables administered but not owned were $10 million and $15 million, respectively. At October 29, 2017 and October 30, 2016, worldwide financing receivables administered, which include financing receivables administered but not owned, totaled $29,273 million and $28,844 million, respectively.

Past due balances of financing receivables still accruing finance income represent the total balance held (principal plus accrued interest) with any payment amounts 30 days or more past the contractual payment due date. Non-performing financing receivables represent loans for which the company has ceased accruing finance income. These receivables are generally 120 days delinquent and the estimated uncollectible amount, after charging the dealer's withholding account, has been written off to the allowance for credit losses. Finance income for non-performing receivables is recognized on a cash basis. Accrual of finance income is generally resumed when the receivable becomes contractually current and collections are reasonably assured.

An age analysis of past due financing receivables that are still accruing interest and non-performing financing receivables at October 29, 2017 and October 30, 2016 follows in millions of dollars:

	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due
2017				
Retail Notes:				
Agriculture and turf	$118	$ 54	$49	$221
Construction and forestry	75	33	39	147
Other:				
Agriculture and turf	27	14	7	48
Construction and forestry	11	6	2	19
Total	$231	$107	$97	$435

	Total Past Due	Total Non-Performing	Current	Total Financing Receivables
Retail Notes:				
Agriculture and turf	$221	$173	$17,508	$17,902
Construction and forestry	147	30	2,618	2,795
Other:				
Agriculture and turf	48	12	7,610	7,670
Construction and forestry	19	5	1,059	1,083
Total	$435	$220	$28,795	29,450
Less allowance for credit losses				187
Total financing receivables – net				$29,263

	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due
2016				
Retail Notes:				
Agriculture and turf	$115	$ 57	$ 65	$237
Construction and forestry	78	32	25	135
Other:				
Agriculture and turf	26	11	6	43
Construction and forestry	10	5	4	19
Total	$229	$105	$100	$434

(continued)

	Total Past Due	Total Non-Performing	Current	Total Financing Receivables
Retail Notes:				
Agriculture and turf	$237	$191	$17,526	$17,954
Construction and forestry	135	35	2,558	2,728
Other:				
Agriculture and turf	43	9	7,286	7,338
Construction and forestry	19	9	957	985
Total	$434	$244	$28,327	29,005
Less allowance for credit losses				176
Total financing receivables – net				$28,829

An analysis of the allowance for credit losses and investment in financing receivables follows in millions of dollars:

	Retail Notes	Revolving Charge Accounts	Other	Total
2017				
Allowance:				
Beginning of year balance	$ 113	$ 40	$ 23	$ 176
Provision	46	33	9	88
Write-offs	(56)	(53)	(7)	(116)
Recoveries	20	20	1	41
Translation adjustments	(2)			(2)
End of year balance*	$ 121	$ 40	$ 26	$ 187
Financing receivables:				
End of year balance	$20,697	$3,629	$5,124	$29,450
Balance individually evaluated	$ 86	$ 3	$ 20	$ 109
2016				
Allowance:				
Beginning of year balance	$ 95	$ 40	$ 22	$ 157
Provision	43	36	5	84
Write-offs	(43)	(55)	(5)	(103)
Recoveries	11	19	1	31
Translation adjustments	7			7
End of year balance*	$ 113	$ 40	$ 23	$ 176
Financing receivables:				
End of year balance	$20,682	$3,135	$5,188	$29,005
Balance individually evaluated	$ 108	$ 8	$ 20	$ 136
2015				
Allowance:				
Beginning of year balance	$ 109	$ 41	$ 25	$ 175
Provision	22	21	3	46
Write-offs	(26)	(37)	(4)	(67)
Recoveries	10	15	1	26
Translation adjustments	(20)		(3)	(23)
End of year balance*	$ 95	$ 40	$ 22	$ 157
Financing receivables:				
End of year balance	$21,567	$2,740	$5,494	$29,801
Balance individually evaluated	$ 40		$ 6	$ 46

* Individual allowances were not significant.

Past-due amounts over 30 days represented 1.48 percent and 1.50 percent of the receivables financed at October 29, 2017 and October 30, 2016, respectively. The allowance for credit losses represented .64 percent and .61 percent of financing receivables outstanding at October 29, 2017 and October 30, 2016, respectively. In addition, at October 29, 2017 and October 30, 2016, the company's financial services operations had $155 million and $162 million, respectively, of deposits primarily withheld from dealers and merchants available for potential credit losses.

Financing receivables are considered impaired when it is probable the company will be unable to collect all amounts due according to the contractual terms. Receivables reviewed for impairment generally include those that are either past due, or have provided bankruptcy notification, or require significant collection efforts. Receivables that are impaired are generally classified as non-performing.

An analysis of the impaired financing receivables at October 29, 2017 and October 30, 2016 follows in millions of dollars:

	Recorded Investment	Unpaid Principal Balance	Specific Allowance	Average Recorded Investment
2017*				
Receivables with specific allowance**	$ 36	$ 33	$ 10	$ 30
Receivables without a specific allowance***	28	27		24
Total	$ 64	$ 60	$ 10	$ 54
Agriculture and turf	$ 49	$ 46	$ 10	$ 38
Construction and forestry	$ 15	$ 14		$ 16
2016*				
Receivables with specific allowance**	$ 31	$ 28	$ 9	$ 29
Receivables without a specific allowance***	29	27		26
Total	$ 60	$ 55	$ 9	$ 55
Agriculture and turf	$ 33	$ 30	$ 8	$ 27
Construction and forestry	$ 27	$ 25	$ 1	$ 28

* Finance income recognized was not material.
** Primarily retail notes.
*** Primarily retail notes and wholesale receivables.

A troubled debt restructuring is generally the modification of debt in which a creditor grants a concession it would not otherwise consider to a debtor that is experiencing financial difficulties. These modifications may include a reduction of the stated interest rate, an extension of the maturity dates, a reduction of the face amount or maturity amount of the debt, or a reduction of accrued interest. During 2017, 2016, and 2015, the company identified 474, 167, and 107 financing receivable contracts, primarily retail notes, as troubled debt restructurings with aggregate balances of $16 million, $19 million, and $8 million pre-modification and $15 million, $18 million, and $7 million post-modification, respectively. In 2017, there were $3 million of troubled debt restructurings that subsequently defaulted and were written off. In 2016 and 2015, there were no significant troubled debt restructurings that subsequently defaulted and were written off. At October 29, 2017, the company had commitments to lend approximately $12 million to borrowers whose accounts were modified in troubled debt restructurings.

Other Receivables

Other receivables at October 29, 2017 and October 30, 2016 consisted of the following in millions of dollars:

	2017	2016
Taxes receivable	$ 876	$ 702
Other	324	317
Other receivables	$1,200	$1,019

13. SECURITIZATION OF FINANCING RECEIVABLES

The company, as a part of its overall funding strategy, periodically transfers certain financing receivables (retail notes) into VIEs that are SPEs, or non-VIE banking operations, as part of its asset-backed securities programs (securitizations). The structure of these transactions is such that the transfer of the retail notes did not meet the accounting criteria for sales of receivables, and is, therefore, accounted for as a secured borrowing. SPEs utilized in securitizations of retail notes differ from other entities included in the company's consolidated statements because the assets they hold are legally isolated. Use of the assets held by the SPEs or the non-VIEs is restricted by terms of the documents governing the securitization transactions.

In these securitizations, the retail notes are transferred to certain SPEs or to non-VIE banking operations, which in turn issue debt to investors. The debt securities issued to the third party investors result in secured borrowings, which are recorded as ''Short-term securitization borrowings'' on the consolidated balance sheet. The securitized retail notes are recorded as ''Financing receivables securitized – net'' on the balance sheet. The total restricted assets on the balance sheet related to these securitizations include the financing receivables securitized less an allowance for credit losses, and other assets primarily representing restricted cash. For those securitizations in which retail notes are transferred into SPEs, the SPEs supporting the secured borrowings are consolidated unless the company does not have both the power to direct the activities that most significantly impact the SPEs' economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the SPEs. No additional support to these SPEs beyond what was previously contractually required has been provided during the reporting periods.

In certain securitizations, the company consolidates the SPEs since it has both the power to direct the activities that most significantly impact the SPEs' economic performance through its role as servicer of all the receivables held by the SPEs, and the obligation through variable interests in the SPEs to absorb losses or receive benefits that could potentially be significant to the SPEs. The restricted assets (retail notes securitized, allowance for credit losses, and other assets) of the consolidated SPEs totaled $2,631 million and $2,718 million at October 29, 2017 and October 30, 2016, respectively. The liabilities (short-term securitization borrowings and accrued interest) of these SPEs totaled $2,571 million and $2,655 million at October 29, 2017 and October 30, 2016, respectively. The credit holders of these SPEs do not have legal recourse to the company's general credit.

In certain securitizations, the company transfers retail notes to non-VIE banking operations, which are not consolidated since the company does not have a controlling interest in the entities. The company's carrying values and interests related to the securitizations with the unconsolidated non-VIEs were restricted assets (retail notes securitized, allowance for credit losses and other assets) of $478 million and $663 million at October 29, 2017 and October 30, 2016, respectively. The liabilities (short-term securitization borrowings and accrued interest) were $454 million and $616 million at October 29, 2017 and October 30, 2016, respectively.

In certain securitizations, the company transfers retail notes into bank-sponsored, multi-seller, commercial paper conduits, which are SPEs that are not consolidated. The company does not service a significant portion of the conduits' receivables, and therefore, does not have the power to direct the activities that most significantly impact the conduits' economic performance. These conduits provide a funding source to the company (as well as other transferors into the conduit) as they fund the retail notes through the issuance of commercial paper. The company's carrying values and variable interest related to these conduits were restricted assets (retail notes securitized, allowance for credit losses, and other assets) of $1,155 million and $1,861 million at October 29, 2017 and October 30, 2016, respectively. The liabilities (short-term securitization borrowings and accrued interest) related to these conduits were $1,096 million and $1,729 million at October 29, 2017 and October 30, 2016, respectively.

The company's carrying amount of the liabilities to the unconsolidated conduits, compared to the maximum exposure to loss related to these conduits, which would only be incurred in the event of a complete loss on the restricted assets, was as follows at October 29 in millions of dollars:

	2017
Carrying value of liabilities	$1,096
Maximum exposure to loss	1,155

The total assets of unconsolidated VIEs related to securitizations were approximately $40 billion at October 29, 2017.

The components of consolidated restricted assets related to secured borrowings in securitization transactions at October 29, 2017 and October 30, 2016 were as follows in millions of dollars:

	2017	2016
Financing receivables securitized (retail notes)	$4,172	$5,141
Allowance for credit losses	(13)	(14)
Other assets	105	115
Total restricted securitized assets	$4,264	$5,242

The components of consolidated secured borrowings and other liabilities related to securitizations at October 29, 2017 and October 30, 2016 were as follows in millions of dollars:

	2017	2016
Short-term securitization borrowings	$4,119	$4,998
Accrued interest on borrowings	2	2
Total liabilities related to restricted securitized assets	$4,121	$5,000

The secured borrowings related to these restricted securitized retail notes are obligations that are payable as the retail notes are liquidated. Repayment of the secured borrowings depends primarily on cash flows generated by the restricted assets. Due to the company's short-term credit rating, cash collections from these restricted assets are not required to be placed into a segregated collection account until immediately prior to the time payment is required to the secured creditors. At October 29, 2017, the maximum remaining term of all securitized retail notes was approximately five years.

14. EQUIPMENT ON OPERATING LEASES

Operating leases arise primarily from the leasing of John Deere equipment to retail customers. Initial lease terms generally range from 12 to 60 months. Net equipment on operating leases at October 29, 2017 and October 30, 2016 consisted of the following in millions of dollars:

	2017	2016
Equipment on operating leases:		
Agriculture and turf	$5,385	$4,758
Construction and forestry	1,209	1,144
Equipment on operating leases – net	$6,594	$5,902

The equipment is depreciated on a straight-line basis over the term of the lease. The accumulated depreciation on this equipment was $1,315 million and $1,054 million at October 29, 2017 and October 30, 2016, respectively. The corresponding depreciation expense was $853 million in 2017, $742 million in 2016, and $577 million in 2015.

Future payments to be received on operating leases totaled $2,051 million at October 29, 2017 and are scheduled in millions of dollars as follows: 2018 – $878, 2019 – $602, 2020 – $347, 2021 – $182, and 2022 – $42.

At October 29, 2017 and October 30, 2016, the company's financial services operations had $52 million and $68 million, respectively, of deposits withheld from dealers available for potential losses on residual values.

15. INVENTORIES

Most inventories owned by Deere & Company and its U.S. equipment subsidiaries are valued at cost, on the "last-in, first-out" (LIFO) basis. Remaining inventories are generally valued at the lower of cost, on the "first-in, first-out" (FIFO) basis, or net realizable value. The value of gross inventories on the LIFO basis represented 61 percent of worldwide gross inventories at FIFO value at both October 29, 2017 and October 30, 2016, respectively. The pretax favorable income effect from the liquidation of LIFO inventory during 2016 was approximately $4 million. If all inventories had been valued on a FIFO basis, estimated inventories by major classification at October 29, 2017 and October 30, 2016 in millions of dollars would have been as follows:

	2017	2016
Raw materials and supplies	$1,688	$1,369
Work-in-process	495	453
Finished goods and parts	3,182	2,976
Total FIFO value	5,365	4,798
Less adjustment to LIFO value	1,461	1,457
Inventories	$3,904	$3,341

16. PROPERTY AND DEPRECIATION

A summary of property and equipment at October 29, 2017 and October 30, 2016 in millions of dollars follows:

	Useful Lives* (Years)	2017	2016
Equipment Operations			
Land		$ 122	$ 119
Buildings and building equipment	22	3,396	3,230
Machinery and equipment	11	5,378	5,180
Dies, patterns, tools, etc.	8	1,647	1,604
All other	5	942	893
Construction in progress		358	370
Total at cost		11,843	11,396
Less accumulated depreciation		6,826	6,277
Total		5,017	5,119
Financial Services			
Land		4	4
Buildings and building equipment	26	74	73
All other	6	38	36
Total at cost		116	113
Less accumulated depreciation		65	61
Total		51	52
Property and equipment-net		$ 5,068	$ 5,171

* Weighted-averages

Total property and equipment additions in 2017, 2016, and 2015 were $602 million, $674 million, and $666 million and depreciation was $726 million, $701 million, and $692 million, respectively. Capitalized interest was $3 million, $3 million, and $6 million in the same periods, respectively. The cost of leased property and equipment under capital leases of $40 million and $33 million and accumulated depreciation of $15 million and $16 million at October 29, 2017 and October 30, 2016, respectively, is included in property and equipment.

Capitalized software has an estimated useful life of three years. The amounts of total capitalized software costs, including purchased and internally developed software, classified as "Other Assets" at October 29, 2017 and October 30, 2016 were $1,078 million and $1,035 million, less accumulated amortization of $826 million and $770 million, respectively. Capitalized interest on software was $1 million and $3 million at October 29, 2017 and October 30, 2016, respectively. Amortization of these software costs in 2017, 2016, and 2015 was $118 million, $102 million, and $103 million, respectively.

The cost of compliance with foreseeable environmental requirements has been accrued and did not have a material effect on the company's consolidated financial statements.

17. GOODWILL AND OTHER INTANGIBLE ASSETS – NET

The changes in amounts of goodwill by operating segments were as follows in millions of dollars:

	Agriculture and Turf	Construction and Forestry	Total
Goodwill at November 1, 2015	$ 227	$ 499	$ 726
Acquisitions*	95		95
Translation adjustments and other	1	(6)	(5)
Goodwill at October 30, 2016	323	493	816
Acquisitions*	193		193
Translation adjustments and other	5	19	24
Goodwill at October 29, 2017	$ 521	$ 512	$ 1,033

* See Note 4.

There were no accumulated impairment losses in the reported periods.

The components of other intangible assets are as follows in millions of dollars:

	Useful Lives* (Years)	2017	2016
Amortized intangible assets:			
Customer lists and relationships	11	$ 42	$ 42
Technology, patents, trademarks, and other	13	139	131
Total at cost		181	173
Less accumulated amortization**		86	69
Total		95	104
Unamortized intangible assets:			
In-process research and development***		123	
Other intangible assets – net		$218	$104

* Weighted-averages
** Accumulated amortization at 2017 and 2016 for customer lists and relationships was $17 million and $11 million and technology, patents, trademarks, and other was $69 million and $58 million, respectively.
***See Note 4.

Other intangible assets are stated at cost less accumulated amortization. The amortization of other intangible assets in 2017, 2016, and 2015 was $18 million, $15 million, and $10 million, respectively. The estimated amortization expense for the next five years is as follows in millions of dollars: 2018 – $16, 2019 – $15, 2020 – $12, 2021 – $9, and 2022 – $9.

18. TOTAL SHORT-TERM BORROWINGS

Total short-term borrowings at October 29, 2017 and October 30, 2016 consisted of the following in millions of dollars:

	2017	2016
Equipment Operations		
Notes payable to banks	$ 221	$ 164
Long-term borrowings due within one year	154	85
Total	375	249
Financial Services		
Commercial paper	3,439	1,253
Notes payable to banks	157	151
Long-term borrowings due within one year*	6,064	5,258
Total	9,660	6,662
Short-term borrowings	10,035	6,911
Financial Services		
Short-term securitization borrowings**	4,119	4,998
Total short-term borrowings	$14,154	$11,909

* Includes unamortized fair value adjustments related to interest rate swaps. Unamortized debt issuance costs were $2 million and $1 million, respectively.
** Includes unamortized debt issuance costs of $4 million and $5 million, respectively.

The short-term securitization borrowings for financial services are secured by financing receivables (retail notes) on the balance sheet (see Note 13). Although these securitization borrowings are classified as short-term since payment is required if the retail notes are liquidated early, the payment schedule for these borrowings of $4,119 million, which are net of debt acquisition costs, at October 29, 2017 based on the expected liquidation of the retail notes in millions of dollars is as follows: 2018 – $2,234, 2019 – $1,249, 2020 – $489, 2021 – $146, and 2022 – $5.

The weighted-average interest rates on total short-term borrowings, excluding current maturities of long-term borrowings, at October 29, 2017 and October 30, 2016 were 1.8 percent and 1.6 percent, respectively.

Lines of credit available from U.S. and foreign banks were $7,878 million at October 29, 2017. At October 29, 2017, $4,061 million of these worldwide lines of credit were unused. For the purpose of computing the unused credit lines, commercial paper, and short-term bank borrowings, excluding secured borrowings and the current portion of long-term borrowings, were primarily considered to constitute utilization. Included in the total credit lines at October 29, 2017 were 364-day credit facility agreements of $1,750 million, expiring in February 2018, and $750 million, expiring in October 2018. In addition, total credit lines included long-term credit facility agreements of $2,500 million, expiring in April 2021, and $2,500 million, expiring in April 2022. The agreements are mutually extendable and the annual facility fees are not significant. These credit agreements require Capital Corporation to maintain its consolidated ratio of earnings to fixed charges at not less than 1.05 to 1 for each fiscal quarter and the ratio of senior debt, excluding securitization indebtedness, to capital base (total subordinated debt and stockholder's equity excluding accumulated other comprehensive income (loss)) at not more than 11 to 1 at the end of any fiscal quarter. The credit agreements also require the equipment operations to maintain a ratio of total debt to total capital (total debt and stockholders' equity excluding accumulated

other comprehensive income (loss)) of 65 percent or less at the end of each fiscal quarter. Under this provision, the company's excess equity capacity and retained earnings balance free of restriction at October 29, 2017 was $10,965 million. Alternatively under this provision, the equipment operations had the capacity to incur additional debt of $20,364 million at October 29, 2017. All of these requirements of the credit agreements have been met during the periods included in the consolidated financial statements.

Deere & Company has an agreement with Capital Corporation pursuant to which it has agreed to continue to own, directly or through one or more wholly-owned subsidiaries, at least 51 percent of the voting shares of capital stock of Capital Corporation and to maintain Capital Corporation's consolidated tangible net worth at not less than $50 million. This agreement also obligates Deere & Company to make payments to Capital Corporation such that its consolidated ratio of earnings to fixed charges is not less than 1.05 to 1 for each fiscal quarter. Deere & Company's obligations to make payments to Capital Corporation under the agreement are independent of whether Capital Corporation is in default on its indebtedness, obligations or other liabilities. Further, Deere & Company's obligations under the agreement are not measured by the amount of Capital Corporation's indebtedness, obligations or other liabilities. Deere & Company's obligations to make payments under this agreement are expressly stated not to be a guaranty of any specific indebtedness, obligation or liability of Capital Corporation and are enforceable only by or in the name of Capital Corporation. No payments were required under this agreement during the periods included in the consolidated financial statements.

19. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at October 29, 2017 and October 30, 2016 consisted of the following in millions of dollars:

	2017	2016
Equipment Operations		
Accounts payable:		
Trade payables	$2,069	$1,598
Dividends payable	194	189
Other	164	193
Accrued expenses:		
Dealer sales discounts	1,559	1,371
Product warranties	1,007	779
Employee benefits	861	861
Unearned revenue	520	401
Other	1,344	1,269
Total	7,718	6,661
Financial Services		
Accounts payable:		
Deposits withheld from dealers and merchants	207	230
Other	275	268
Accrued expenses:		
Unearned revenue	797	735
Accrued interest	148	125
Employee benefits	55	52
Other	345	185
Total	1,827	1,595
Eliminations*	1,128	1,016
Accounts payable and accrued expenses	$8,417	$7,240

* Primarily trade receivable valuation accounts which are reclassified as accrued expenses by the equipment operations as a result of their trade receivables being sold to financial services.

20. LONG-TERM BORROWINGS

Long-term borrowings at October 29, 2017 and October 30, 2016 consisted of the following in millions of dollars:

	2017	2016
Equipment Operations		
U.S. dollar notes and debentures:		
4.375% notes due 2019	$ 750	$ 750
8-1/2% debentures due 2022	105	105
2.60% notes due 2022	1,000	1,000
6.55% debentures due 2028	200	200
5.375% notes due 2029	500	500
8.10% debentures due 2030	250	250
7.125% notes due 2031	300	300
3.90% notes due 2042	1,250	1,250
Euro notes:		
Medium-term notes due 2020 – 2023: (principal €850 - 2017) Average interest rate of .3% - 2017	990	
Other notes	166	231
Less debt issuance costs	20	21
Total	5,491	4,565
Financial Services		
Notes and debentures:		
Medium-term notes due 2018 – 2027: (principal $18,678 - 2017, $17,203 - 2016) Average interest rates of 2.0% - 2017, 1.7% - 2016	18,601*	17,434*
2.75% senior note due 2022: ($500 principal) Swapped $500 to variable interest rate of 2.0% - 2017, 1.6% - 2016	502*	519*
Other notes	1,339	1,221
Less debt issuance costs	42	36
Total	20,400	19,138
Long-term borrowings**	$25,891	$23,703

* Includes unamortized fair value adjustments related to interest rate swaps.
** All interest rates are as of year end.

The approximate principal amounts of the equipment operations' long-term borrowings maturing in each of the next five years in millions of dollars are as follows: 2018 – $154, 2019 – $873, 2020 – $451, 2021 – $4 and 2022 – $1,108. The approximate principal amounts of the financial services' long-term borrowings maturing in each of the next five years in millions of dollars are as follows: 2018 – $6,050, 2019 – $5,383, 2020 – $5,056, 2021 – $2,486, and 2022 – $3,502.

21. LEASES

At October 29, 2017, future minimum lease payments under capital leases amounted to $26 million as follows: 2018 – $10, 2019 – $6, 2020 – $5, 2021 – $3, 2022 – $1, and later years $1. Total rental expense for operating leases was $167 million in 2017, $185 million in 2016, and $200 million in 2015. At October 29, 2017, future minimum lease payments under operating leases amounted to $371 million as follows: 2018 – $98, 2019 – $76, 2020 – $58, 2021 – $44, 2022 – $39, and later years $56.

22. COMMITMENTS AND CONTINGENCIES

The company generally determines its warranty liability by applying historical claims rate experience to the estimated amount of equipment that has been sold and is still under warranty based on dealer inventories and retail sales. The

historical claims rate is primarily determined by a review of five-year claims costs and current quality developments.

The premiums for the company's extended warranties are primarily recognized in income in proportion to the costs expected to be incurred over the contract period. The unamortized extended warranty premiums (unearned revenue) included in the following table totaled $461 million and $447 million at October 29, 2017 and October 30, 2016, respectively.

A reconciliation of the changes in the warranty liability and unearned premiums in millions of dollars follows:

	Warranty Liability/ Unearned Premiums	
	2017	**2016**
Beginning of year balance	$1,226	$1,261
Payments	(743)	(783)
Amortization of premiums received	(207)	(202)
Accruals for warranties	959	758
Premiums received	224	181
Foreign exchange	9	11
End of year balance	$1,468	$1,226

At October 29, 2017, the company had approximately $131 million of guarantees issued primarily to banks outside the U.S. related to third-party receivables for the retail financing of John Deere equipment. The company may recover a portion of any required payments incurred under these agreements from repossession of the equipment collateralizing the receivables. At October 29, 2017, the company had accrued losses of approximately $4 million under these agreements. The maximum remaining term of the receivables guaranteed at October 29, 2017 was approximately five years.

At October 29, 2017, the company had commitments of approximately $170 million for the construction and acquisition of property and equipment. At October 29, 2017, the company also had pledged or restricted assets of $122 million, primarily as collateral for borrowings and restricted other assets. In addition, see Note 13 for restricted assets associated with borrowings related to securitizations.

The company also had other miscellaneous contingencies totaling approximately $70 million at October 29, 2017, for which it believes the probability for payment is substantially remote. The accrued liability for these contingencies was not material at October 29, 2017.

The company is subject to various unresolved legal actions which arise in the normal course of its business, the most prevalent of which relate to product liability (including asbestos related liability), retail credit, employment, software licensing, patent, trademark, and environmental matters. The company believes the reasonably possible range of losses for these unresolved legal actions in addition to the amounts accrued would not have a material effect on its financial statements.

23. CAPITAL STOCK

Changes in the common stock account in millions were as follows:

	Number of Shares Issued	Amount
Balance at November 2, 2014	536.4	$ 3,675
Stock options and other		151
Balance at November 1, 2015	536.4	3,826
Stock options and other		86
Balance at October 30, 2016	536.4	3,912
Stock options and other		369
Balance at October 29, 2017	536.4	$ 4,281

The number of common shares the company is authorized to issue is 1,200 million. The number of authorized preferred shares, none of which has been issued, is nine million.

The Board of Directors at its meeting in December 2013 authorized the repurchase of up to $8,000 million of common stock (60.0 million shares based on the fiscal year end closing common stock price of $133.25 per share). At the end of the fiscal year, this repurchase program had $3,260 million (24.5 million shares at the same price) remaining to be repurchased. Repurchases of the company's common stock under this plan will be made from time to time, at the company's discretion, in the open market.

A reconciliation of basic and diluted net income per share attributable to Deere & Company follows in millions, except per share amounts:

	2017	**2016**	**2015**
Net income attributable to Deere & Company	$2,159.1	$1,523.9	$1,940.0
Less income allocable to participating securities	.6	.7	.8
Income allocable to common stock	$2,158.5	$1,523.2	$1,939.2
Average shares outstanding	319.5	315.2	333.6
Basic per share	$ 6.76	$ 4.83	$ 5.81
Average shares outstanding	319.5	315.2	333.6
Effect of dilutive stock options	3.8	1.4	2.4
Total potential shares outstanding	323.3	316.6	336.0
Diluted per share	$ 6.68	$ 4.81	$ 5.77

All stock options outstanding were included in the computation during 2017, 2016, and 2015, except .2 million in 2017 and 9.9 million in 2016 that had an antidilutive effect under the treasury stock method.

24. STOCK OPTION AND RESTRICTED STOCK AWARDS

The company issues stock options and restricted stock awards to key employees under plans approved by stockholders. Restricted stock is also issued to nonemployee directors for their services as directors under a plan approved by stockholders. Options are awarded with the exercise price equal to the market price and become exercisable in one to three years after grant. Options expire ten years after the date of grant. Restricted stock awards generally vest after three years. The compensation cost for stock options, service based restricted stock units, and market/service based restricted stock units, which is based on the fair value at

the grant date, is recognized on a straight-line basis over the requisite period the employee is required to render service. The compensation cost for performance/service based units, which is based on the fair value at the grant date, is recognized over the employees' requisite service period and periodically adjusted for the probable number of shares to be awarded. According to these plans at October 29, 2017, the company is authorized to grant an additional 11.3 million shares related to stock options or restricted stock.

The fair value of each option award was estimated on the date of grant using a binomial lattice option valuation model. Expected volatilities are based on implied volatilities from traded call options on the company's stock. The expected volatilities are constructed from the following three components: the starting implied volatility of short-term call options traded within a few days of the valuation date; the predicted implied volatility of long-term call options; and the trend in implied volatilities over the span of the call options' time to maturity. The company uses historical data to estimate option exercise behavior and employee termination within the valuation model. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rates utilized for periods throughout the contractual life of the options are based on U.S. Treasury security yields at the time of grant.

The assumptions used for the binomial lattice model to determine the fair value of options follow:

	2017	2016	2015
Risk-free interest rate	.88% – 2.5%	.23% – 2.3%	.04% – 2.3%
Expected dividends	2.4%	2.8%	2.5%
Expected volatility	24.0% – 24.8%	25.2% – 29.0%	23.4% – 25.7%
Weighted-average volatility	24.5%	26.5%	25.6%
Expected term (in years)	7.8 – 8.6	7.0 – 8.6	7.2 – 8.2

Stock option activity at October 29, 2017 and changes during 2017 in millions of dollars and shares follow:

	Shares	Exercise Price*	Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at beginning of year	17.5	$ 78.73		
Granted	.7	100.55		
Exercised	(6.9)	76.56		
Expired or forfeited	(.1)	86.81		
Outstanding at end of year	11.2	81.39	6.17	$581.6
Exercisable at end of year	7.8	79.64	5.34	418.9

* Weighted-averages

The weighted-average grant-date fair values of options granted during 2017, 2016, and 2015 were $24.46, $16.88, and $19.67, respectively. The total intrinsic values of options exercised during 2017, 2016, and 2015 were $225 million, $23 million, and $98 million, respectively. During 2017, 2016, and 2015, cash received from stock option exercises was $529 million, $36 million, and $172 million with tax benefits of $83 million, $8 million, and $36 million, respectively.

The company granted 579 thousand, 255 thousand, and 248 thousand restricted stock units to employees and nonemployee directors in 2017, 2016, and 2015, of which 465 thousand, 113 thousand, and 122 thousand are subject to service based only conditions, 57 thousand, 71 thousand, and 63 thousand are subject to performance/service based conditions, 57 thousand, 71 thousand, and 63 thousand are subject to market/service based conditions, respectively. The service based only units award one share of common stock for each unit at the end of the vesting period and include dividend equivalent payments.

The performance/service based units are subject to a performance metric based on the company's compound annual revenue growth rate, compared to a benchmark group of companies over the vesting period. The market/service based units are subject to a market related metric based on total shareholder return, compared to the same benchmark group of companies over the vesting period. The performance/service based units and the market/service based units both award common stock in a range of zero to 200 percent for each unit granted based on the level of the metric achieved and do not include dividend equivalent payments over the vesting period. The weighted-average fair values of the service based only units at the grant dates during 2017, 2016, and 2015 were $101.03, $79.84, and $88.66 per unit, respectively, based on the market price of a share of underlying common stock. The fair value of the performance/service based units at the grant date during 2017, 2016, and 2015 were $93.86, $72.93, and $81.78 per unit, respectively, based on the market price of a share of underlying common stock excluding dividends. The fair value of the market/service based units at the grant date during 2017, 2016, and 2015 were $129.70, $103.66, and $113.97 per unit, respectively, based on a lattice valuation model excluding dividends.

The company's restricted shares at October 29, 2017 and changes during 2017 in millions of shares follow:

	Shares	Grant-Date Fair Value*
Service based only		
Nonvested at beginning of year	.3	$ 84.86
Granted	.5	101.03
Vested	(.1)	86.40
Nonvested at end of year	.7	95.90
Performance/service and market/service based		
Nonvested at beginning of year	.4	$ 94.88
Granted	.1	111.78
Performance change	(.1)	81.53
Nonvested at end of year	.4	98.46

* Weighted-averages

During 2017, 2016, and 2015, the total share-based compensation expense was $68 million, $71 million, and $66 million, respectively, with recognized income tax benefits of $25 million, $26 million, and $25 million, respectively. At October 29, 2017, there was $46 million of total unrecognized compensation cost from share-based compensation arrangements granted under the plans, which is related to restricted shares and options. This compensation is expected to be recognized over a weighted-average period of approximately two years. The total grant-date fair values of stock options and restricted shares vested during 2017, 2016, and 2015 were $72 million, $69 million, and $74 million, respectively.

The company currently uses shares that have been repurchased through its stock repurchase programs to satisfy share option exercises. At fiscal year end, the company had 215 million shares in treasury stock and 24 million shares remaining to be repurchased under its current publicly announced repurchase program (see Note 23).

25. OTHER COMPREHENSIVE INCOME ITEMS

The after-tax changes in accumulated other comprehensive income at November 2, 2014, November 1, 2015, October 30, 2016, and October 29, 2017 in millions of dollars follow:

	Retirement Benefits Adjustment	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Derivatives	Unrealized Gain (Loss) on Investments	Total Accumulated Other Comprehensive Income (Loss)
2014	$(3,493)	$ (303)		$ 13	$(3,783)
Period Change	(8)	(935)	$ (2)	(1)	(946)
2015	(3,501)	(1,238)	(2)	12	(4,729)
Period Change	(908)	9	3	(1)	(897)
2016	(4,409)	(1,229)	1	11	(5,626)
Period Change	829	230	4	(1)	1,062
2017	$(3,580)	$ (999)	$ 5	$ 10	$(4,564)

Following are amounts recorded in and reclassifications out of other comprehensive income (loss), and the income tax effects, in millions of dollars:

	Before Tax Amount	Tax (Expense) Credit	After Tax Amount
2017			
Cumulative translation adjustment	$ 232	$ (2)	$ 230
Unrealized gain (loss) on derivatives:			
Unrealized hedging gain (loss)	3	(1)	2
Reclassification of realized (gain) loss to:			
Interest rate contracts – Interest expense	2	(1)	1
Foreign exchange contracts – Other operating expenses	1		1
Net unrealized gain (loss) on derivatives	6	(2)	4
Unrealized gain (loss) on investments:			
Unrealized holding gain (loss)	274	(101)	173
Reclassification of realized (gain) loss – Other income	(275)	101	(174)
Net unrealized gain (loss) on investments	(1)		(1)
Retirement benefits adjustment:			
Pensions			
Net actuarial gain (loss)	702	(248)	454
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	247	(89)	158
Prior service (credit) cost	12	(4)	8
Settlements/curtailments	2	(1)	1
Health care and life insurance			
Net actuarial gain (loss)	309	(115)	194
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	99	(36)	63
Prior service (credit) cost	(77)	28	(49)
Net unrealized gain (loss) on retirement benefits adjustment	1,294	(465)	829
Total other comprehensive income (loss)	$ 1,531	$ (469)	$ 1,062

* These accumulated other comprehensive income amounts are included in net periodic pension and postretirement costs. See Note 7 for additional detail.

	Before Tax Amount	Tax (Expense) Credit	After Tax Amount
2016			
Cumulative translation adjustment	$ 8	$ 1	$ 9
Unrealized gain (loss) on derivatives:			
Unrealized hedging gain (loss)	(2)	1	(1)
Reclassification of realized (gain) loss to:			
Interest rate contracts – Interest expense	7	(2)	5
Foreign exchange contracts – Other operating expenses	(1)		(1)
Net unrealized gain (loss) on derivatives	4	(1)	3
Unrealized gain (loss) on investments:			
Unrealized holding gain (loss)	2		2
Reclassification of realized (gain) loss – Other income	(4)	1	(3)
Net unrealized gain (loss) on investments	(2)	1	(1)
Retirement benefits adjustment:			
Pensions			
Net actuarial gain (loss) and prior service credit (cost)	(1,141)	397	(744)
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	211	(77)	134
Prior service (credit) cost	16	(6)	10
Settlements/curtailments	14	(4)	10
Health care and life insurance			
Net actuarial gain (loss) and prior service credit (cost)	(493)	178	(315)
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	73	(27)	46
Prior service (credit) cost	(78)	29	(49)
Net unrealized gain (loss) on retirement benefits adjustment	(1,398)	490	(908)
Total other comprehensive income (loss)	$(1,388)	$ 491	$ (897)

* These accumulated other comprehensive income amounts are included in net periodic pension and postretirement costs. See Note 7 for additional detail.

	Before Tax Amount	Tax (Expense) Credit	After Tax Amount
2015			
Cumulative translation adjustment	$(938)	$ 3	$(935)
Unrealized gain (loss) on derivatives:			
Unrealized hedging gain (loss)	(12)	4	(8)
Reclassification of realized (gain) loss to:			
Interest rate contracts – Interest expense	12	(4)	8
Foreign exchange contracts – Other operating expenses	(4)	2	(2)
Net unrealized gain (loss) on derivatives	(4)	2	(2)
Unrealized gain (loss) on investments:			
Unrealized holding gain (loss)	12	(4)	8
Reclassification of realized (gain) loss – Other income	(14)	5	(9)
Net unrealized gain (loss) on investments	(2)	1	(1)
Retirement benefits adjustment:			
Pensions			
Net actuarial gain (loss) and prior service credit (cost)	(427)	151	(276)
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	223	(81)	142
Prior service (credit) cost	25	(9)	16
Settlements/curtailments	11	(4)	7
Health care and life insurance			
Net actuarial gain (loss) and prior service credit (cost)	145	(52)	93
Reclassification through amortization of actuarial (gain) loss and prior service (credit) cost to net income:*			
Actuarial (gain) loss	91	(34)	57
Prior service (credit) cost	(77)	29	(48)
Settlements/curtailments	1		1
Net unrealized gain (loss) on retirement benefits adjustment	(8)		(8)
Total other comprehensive income (loss)	$(952)	$ 6	$(946)

* These accumulated other comprehensive income amounts are included in net periodic pension and postretirement costs. See Note 7 for additional detail.

The noncontrolling interests' comprehensive income (loss) was $.3 million in 2017, $(2.4) million in 2016, and $.5 million in 2015, which consisted of net income (loss) of $.1 million in 2017, $(2.4) million in 2016, and $.9 million in 2015 and cumulative translation adjustments of $.2 million in 2017, none in 2016, and $(.4) million in 2015.

26. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To determine fair value, the company uses various methods including market and income approaches. The company utilizes valuation models and techniques that maximize the use of observable inputs. The models are industry-standard models that consider various assumptions including time values and yield curves as well as other economic measures. These valuation techniques are consistently applied.

Level 1 measurements consist of quoted prices in active markets for identical assets or liabilities. Level 2 measurements include significant other observable inputs such as quoted prices for similar assets or liabilities in active markets; identical assets or liabilities in inactive markets; observable inputs such as interest rates and yield curves; and other market-corroborated inputs. Level 3 measurements include significant unobservable inputs.

The fair values of financial instruments that do not approximate the carrying values at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	2017		2016	
	Carrying Value	Fair Value*	Carrying Value	Fair Value*
Financing receivables – net	$ 25,104	$ 24,946	$ 23,702	$ 23,564
Financing receivables securitized – net	$ 4,159	$ 4,130	$ 5,127	$ 5,114
Short-term securitization borrowings	$ 4,119	$ 4,118	$ 4,998	$ 5,005
Long-term borrowings due within one year:				
Equipment operations	$ 154	$ 154	$ 85	$ 80
Financial services	6,064	6,079	5,258	5,259
Total	$ 6,218	$ 6,233	$ 5,343	$ 5,339
Long-term borrowings:				
Equipment operations	$ 5,491	$ 6,026	$ 4,565	$ 5,184
Financial services	20,400	20,606	19,138	19,273
Total	$ 25,891	$ 26,632	$ 23,703	$ 24,457

* Fair value measurements above were Level 3 for all financing receivables and Level 2 for all borrowings.

Fair values of the financing receivables that were issued long-term were based on the discounted values of their related cash flows at interest rates currently being offered by the company for similar financing receivables. The fair values of the remaining financing receivables approximated the carrying amounts.

Fair values of long-term borrowings and short-term securitization borrowings were based on current market quotes for identical or similar borrowings and credit risk, or on the discounted values of their related cash flows at current market interest rates. Certain long-term borrowings have been swapped to current variable interest rates. The carrying values of these long-term borrowings included adjustments related to fair value hedges.

Assets and liabilities measured at October 29, 2017 and October 30, 2016 at fair value on a recurring basis in millions of dollars follow:

	2017*	2016*
Marketable securities		
Equity fund	$ 48	$ 45
Fixed income fund	15	15
U.S. government debt securities	77	88
Municipal debt securities	39	43
Corporate debt securities	135	118
International debt securities	20	34
Mortgage-backed securities**	118	111
Total marketable securities	452	454
Other assets		
Derivatives:		
Interest rate contracts	116	294
Foreign exchange contracts	108	60
Cross-currency interest rate contracts	11	21
Total assets***	$ 687	$ 829
Accounts payable and accrued expenses		
Derivatives:		
Interest rate contracts	$ 131	$ 29
Foreign exchange contracts	26	43
Cross-currency interest rate contracts	1	
Total liabilities	$ 158	$ 72

* All measurements above were Level 2 measurements except for Level 1 measurements of the equity fund of $48 million and $45 million at October 29, 2017 and October 30, 2016, respectively, the fixed income fund of $15 million and $15 million at October 29, 2017 and October 30, 2016, respectively, and U.S. government debt securities of $44 million and $53 million at October 29, 2017 and October 30, 2016, respectively. In addition, $17 million and $28 million of the international debt securities were Level 3 measurements at October 29, 2017 and October 30, 2016, respectively. There were no transfers between Level 1 and Level 2 during 2017 and 2016.

** Primarily issued by U.S. government sponsored enterprises.

*** Excluded from this table were cash equivalents, which were carried at cost that approximates fair value. The cash equivalents consist primarily of money market funds that were Level 1 measurements.

Fair value, recurring Level 3 measurements from available-for-sale marketable securities at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	2017	2016
Beginning of period balance	$ 28	$ 29
Purchases		25
Principal payments	(13)	(22)
Change in unrealized gain (loss)	2	(4)
End of period balance	$ 17	$ 28

Fair value, nonrecurring measurements from impairments at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	Fair Value*		Losses*		
	2017	2016	2017	2016	2015
Equipment on operating leases – net		$ 654		$ 31	$ 10
Property and equipment – net		$ 31		$ 13	$ 10
Investments in unconsolidated affiliates	$ 28	$ 1	$ 40	$ 12	
Other assets		$ 184		$ 29	$ 15

* Fair value at October 29, 2017 was a Level 1 measurement, while fair values at October 30, 2016 were Level 3 measurements. See financing receivables with specific allowances in Note 12 that were not significant. See Note 5 for impairments.

The following is a description of the valuation methodologies the company uses to measure certain financial instruments on the balance sheet and nonmonetary assets at fair value:

Marketable Securities – The portfolio of investments, except for the Level 3 measurement international debt securities, is primarily valued on a market approach (matrix pricing model) in which all significant inputs are observable or can be derived from or corroborated by observable market data such as interest rates, yield curves, volatilities, credit risk, and prepayment speeds. Funds are primarily valued using the fund's net asset value, based on the fair value of the underlying securities. The Level 3 measurement international debt securities are primarily valued using an income approach based on discounted cash flows using yield curves derived from limited, observable market data.

Derivatives – The company's derivative financial instruments consist of interest rate swaps and caps, foreign currency futures, forwards and swaps, and cross-currency interest rate swaps. The portfolio is valued based on an income approach (discounted cash flow) using market observable inputs, including swap curves and both forward and spot exchange rates for currencies.

Financing Receivables – Specific reserve impairments are based on the fair value of the collateral, which is measured using a market approach (appraisal values or realizable values). Inputs include a selection of realizable values (see Note 12).

Equipment on Operating Leases-Net – The impairments are based on an income approach (discounted cash flow), using the contractual payments, plus an estimate of equipment sale price at lease maturity. Inputs include realized sales values (see Note 5).

Property and Equipment-Net – The impairments are measured at the lower of the carrying amount, or fair value. The valuations were based on a cost approach. The inputs include replacement cost estimates adjusted for physical deterioration and economic obsolescence (see Note 5).

Investment in Unconsolidated Affiliates – Other than temporary impairments for investments are measured as the difference between the implied fair value and the carrying value of the investments. The estimated fair value for privately held entities is determined by an income approach (discounted cash flows), which includes inputs such as interest rates and margins. The fair value for publicly traded entities is the share price multiplied by the shares owned (see Note 5).

Other Assets – The impairments are measured at the lower of the carrying amount, or fair value. The valuations were based on a market approach. The inputs include sales of comparable assets (see Note 5).

27. DERIVATIVE INSTRUMENTS

Cash Flow Hedges

Certain interest rate and cross-currency interest rate contracts (swaps) were designated as hedges of future cash flows from borrowings. The total notional amounts of the receive-variable/pay-fixed interest rate contracts at October 29, 2017 and October 30, 2016 were $1,700 million and $1,600 million, respectively. The total notional amounts of the cross-currency interest rate contracts were $22 million and $42 million at October 29, 2017 and October 30, 2016, respectively. The effective portions of the fair value gains or losses on these cash flow hedges were recorded in other comprehensive income (OCI) and subsequently reclassified into interest expense or other operating expenses (foreign exchange) in the same periods during which the hedged transactions affected earnings. These amounts offset the effects of interest rate or foreign currency exchange rate changes on the related borrowings. Any ineffective portions of the gains or losses on all cash flow interest rate contracts designated as cash flow hedges were recognized currently in interest expense or other operating expenses (foreign exchange) and were not material during any years presented. The cash flows from these contracts were recorded in operating activities in the statement of consolidated cash flows.

The amount of gain recorded in OCI at October 29, 2017 that is expected to be reclassified to interest expense or other operating expenses in the next twelve months if interest rates or exchange rates remain unchanged is approximately $2 million after-tax. These contracts mature in up to 28 months. There were no gains or losses reclassified from OCI to earnings based on the probability that the original forecasted transaction would not occur.

Fair Value Hedges

Certain interest rate contracts (swaps) were designated as fair value hedges of borrowings. The total notional amounts of the receive-fixed/pay-variable interest rate contracts at October 29, 2017 and October 30, 2016 were $8,661 million and $8,844 million, respectively. The effective portions of the fair value gains or losses on these contracts were offset by fair value gains or losses on the hedged items (fixed-rate borrowings). Any ineffective portions of the gains or losses were recognized currently in interest expense. The ineffective portions were a gain of $3 million and loss of $2 million in 2017 and 2016, respectively. The cash flows from these contracts were recorded in operating activities in the statement of consolidated cash flows.

The gains (losses) on these contracts and the underlying borrowings recorded in interest expense follow in millions of dollars:

	2017	2016
Interest rate contracts*	$ (284)	$ 7
Borrowings**	287	(9)

* Includes changes in fair values of interest rate contracts excluding net accrued interest income of $79 million and $146 million during 2017 and 2016, respectively.
** Includes adjustments for fair values of hedged borrowings excluding accrued interest expense of $243 million and $290 million during 2017 and 2016, respectively.

Derivatives Not Designated as Hedging Instruments
The company has certain interest rate contracts (swaps and caps), foreign exchange contracts (futures, forwards and swaps), and cross-currency interest rate contracts (swaps), which were not formally designated as hedges. These derivatives were held as economic hedges for underlying interest rate or foreign currency exposures primarily for certain borrowings and purchases or sales of inventory. The total notional amounts of the interest rate swaps at October 29, 2017 and October 30, 2016 were $6,757 million and $6,060 million, the foreign exchange contracts were $8,499 million and $3,919 million, and the cross-currency interest rate contracts were $66 million and $63 million, respectively. The increase in the total notional amounts of foreign exchange contracts primarily relates to the Wirtgen acquisition, which closed on December 1, 2017 (see Note 30). At October 29, 2017 and October 30, 2016, there were also $253 million and $579 million, respectively, of interest rate caps purchased and the same amounts sold at the same capped interest rate to facilitate borrowings through securitization of retail notes. The fair value gains or losses from the interest rate contracts were recognized currently in interest expense and the gains or losses from foreign exchange contracts in cost of sales or other operating expenses, generally offsetting over time the expenses on the exposures being hedged. The cash flows from these non-designated contracts were recorded in operating activities in the statement of consolidated cash flows.

Fair values of derivative instruments in the consolidated balance sheet at October 29, 2017 and October 30, 2016 in millions of dollars follow:

	2017	2016
Other Assets		
Designated as hedging instruments:		
Interest rate contracts	$ 74	$ 268
Cross-currency interest rate contracts	5	11
Total designated	79	279
Not designated as hedging instruments:		
Interest rate contracts	42	26
Foreign exchange contracts	108	60
Cross-currency interest rate contracts	6	10
Total not designated	156	96
Total derivative assets	$ 235	$ 375
Accounts Payable and Accrued Expenses		
Designated as hedging instruments:		
Interest rate contracts	$ 112	$ 10
Total designated	112	10
Not designated as hedging instruments:		
Interest rate contracts	19	19
Foreign exchange contracts	26	43
Cross-currency interest rate contracts	1	
Total not designated	46	62
Total derivative liabilities	$ 158	$ 72

The classification and gains (losses) including accrued interest expense related to derivative instruments on the statement of consolidated income consisted of the following in millions of dollars:

	2017	2016	2015
Fair Value Hedges			
Interest rate contracts – Interest expense	$ (205)	$ 153	$ 277
Cash Flow Hedges			
Recognized in OCI (Effective Portion):			
Interest rate contracts – OCI (pretax)*	4	(3)	(16)
Foreign exchange contracts – OCI (pretax)*	(1)	1	4
Reclassified from OCI (Effective Portion):			
Interest rate contracts – Interest expense*	(2)	(7)	(12)
Foreign exchange contracts – Other expense*	(1)	1	4
Recognized Directly in Income (Ineffective Portion)	**	**	**
Not Designated as Hedges			
Interest rate contracts – Interest expense*	$ 11	$ (1)	$ (17)
Foreign exchange contracts – Cost of sales	(12)	(15)	97
Foreign exchange contracts – Other expense*	(106)	74	304
Total not designated	$ (107)	$ 58	$ 384

* Includes interest and foreign exchange gains (losses) from cross-currency interest rate contracts.
** The amounts are not significant.

Counterparty Risk and Collateral
Certain of the company's derivative agreements contain credit support provisions that may require the company to post collateral based on the size of the net liability positions and

credit ratings. The aggregate fair value of all derivatives with credit-risk-related contingent features that were in a net liability position at October 29, 2017 and October 30, 2016, was $132 million and $29 million, respectively. The company, due to its credit rating and amounts of net liability position, has not posted any collateral. If the credit-risk-related contingent features were triggered, the company would be required to post collateral up to an amount equal to this liability position prior to considering applicable netting provisions.

Derivative instruments are subject to significant concentrations of credit risk to the banking sector. The company manages individual counterparty exposure by setting limits that consider the credit rating of the counterparty, the credit default swap spread of the counterparty, and other financial commitments and exposures between the company and the counterparty banks. All interest rate derivatives are transacted under International Swaps and Derivatives Association (ISDA) documentation. Some of these agreements include credit support provisions. Each master agreement permits the net settlement of amounts owed in the event of default or termination.

Derivatives are recorded without offsetting for netting arrangements or collateral. The impact on the derivative assets and liabilities related to netting arrangements and any collateral received or paid at October 29, 2017 and October 30, 2016 in millions of dollars follows:

	Gross Amounts Recognized	Netting Arrangements	Collateral Received	Net Amount
2017				
Assets	$ 235	$ (65)		$ 170
Liabilities	158	(65)		93
2016				
Assets	$ 375	$ (32)	$ (6)	$ 337
Liabilities	72	(32)		40

28. SEGMENT AND GEOGRAPHIC AREA DATA

The company's operations are presently organized and reported in three major business segments described as follows:

The agriculture and turf segment primarily manufactures and distributes a full line of agriculture and turf equipment and related service parts – including large, medium and utility tractors; tractor loaders; combines, cotton pickers, cotton strippers, and sugarcane harvesters; related harvesting front-end equipment; sugarcane loaders and pull-behind scrapers; tillage, seeding and application equipment, including sprayers, nutrient management and soil preparation machinery; hay and forage equipment, including self-propelled forage harvesters and attachments, balers and mowers; turf and utility equipment, including riding lawn equipment and walk-behind mowers, golf course equipment, utility vehicles, and commercial mowing equipment, along with a broad line of associated implements; integrated agricultural management systems technology and solutions; and other outdoor power products.

The construction and forestry segment primarily manufactures and distributes a broad range of machines and service parts used in construction, earthmoving, material handling, and timber harvesting – including backhoe loaders; crawler dozers and loaders; four-wheel-drive loaders; excavators; motor graders; articulated dump trucks; landscape loaders; skid-steer loaders; and log skidders, feller bunchers, log loaders, log forwarders, log harvesters, and related attachments.

The products and services produced by the segments above are marketed primarily through independent retail dealer networks and major retail outlets.

The financial services segment primarily finances sales and leases by John Deere dealers of new and used agriculture and turf equipment and construction and forestry equipment. In addition, the financial services segment provides wholesale financing to dealers of the foregoing equipment, finances retail revolving charge accounts, and offers extended equipment warranties.

Because of integrated manufacturing operations and common administrative and marketing support, a substantial number of allocations must be made to determine operating segment and geographic area data. Intersegment sales and revenues represent sales of components and finance charges, which are generally based on market prices.

Information relating to operations by operating segment in millions of dollars follows for the years ended October 29, 2017, October 30, 2016, and November 1, 2015. In addition to the following unaffiliated sales and revenues by segment, intersegment sales and revenues in 2017, 2016, and 2015 were as follows: agriculture and turf net sales of $39 million, $31 million, and $49 million, construction and forestry net sales of $1 million, $1 million, and $1 million, and financial services revenues of $244 million, $225 million, and $225 million, respectively.

OPERATING SEGMENTS	**2017**	**2016**	**2015**
Net sales and revenues			
Unaffiliated customers:			
Agriculture and turf net sales	$20,167	$18,487	$19,812
Construction and forestry net sales	5,718	4,900	5,963
Total net sales	25,885	23,387	25,775
Financial services revenues	2,935	2,694	2,591
Other revenues*	918	563	497
Total	$29,738	$26,644	$28,863

* Other revenues are primarily the equipment operations' revenues for finance and interest income, and other income as disclosed in Note 31, net of certain intercompany eliminations.

(continued)

OPERATING SEGMENTS	2017	2016	2015
Operating profit			
Agriculture and turf	$ 2,484	$ 1,700	$ 1,649
Construction and forestry	337	180	528
Financial services*	722	709	963
Total operating profit	3,543	2,589	3,140
Interest income	55	48	61
Interest expense	(264)	(251)	(273)
Foreign exchange gains (losses) from equipment operations' financing activities	(12)	(12)	13
Corporate expenses – net	(192)	(153)	(160)
Income taxes	(971)	(700)	(840)
Total	(1,384)	(1,068)	(1,199)
Net income	2,159	1,521	1,941
Less: Net income (loss) attributable to noncontrolling interests		(3)	1
Net income attributable to Deere & Company	$ 2,159	$ 1,524	$ 1,940

* Operating profit of the financial services business segment includes the effect of its interest expense and foreign exchange gains or losses.

Interest income*			
Agriculture and turf	$ 16	$ 12	$ 14
Construction and forestry	1	1	2
Financial services	1,771	1,650	1,687
Corporate	55	48	61
Intercompany	(268)	(240)	(253)
Total	$ 1,575	$ 1,471	$ 1,511

* Does not include finance rental income for equipment on operating leases.

Interest expense			
Agriculture and turf	$ 182	$ 173	$ 160
Construction and forestry	53	44	45
Financial services	669	536	455
Corporate	264	251	273
Intercompany	(268)	(240)	(253)
Total	$ 900	$ 764	$ 680
Depreciation* and amortization expense			
Agriculture and turf	$ 695	$ 667	$ 659
Construction and forestry	145	136	133
Financial services	876	757	590
Total	$ 1,716	$ 1,560	$ 1,382

* Includes depreciation for equipment on operating leases.

Equity in income (loss) of unconsolidated affiliates			
Agriculture and turf	$ 2	$ 9	$ 7
Construction and forestry	(27)	(13)	(7)
Financial services	1	2	1
Total	$ (24)	$ (2)	$ 1

(continued)

OPERATING SEGMENTS	2017	2016	2015
Identifiable operating assets			
Agriculture and turf	$ 9,359	$ 8,405	$ 8,332
Construction and forestry	3,212	3,017	3,295
Financial services	42,596	40,837	40,866
Corporate*	10,619	5,659	5,390
Total	$ 65,786	$ 57,918	$ 57,883

* Corporate assets are primarily the equipment operations' retirement benefits, deferred income tax assets, marketable securities, and cash and cash equivalents as disclosed in Note 31, net of certain intercompany eliminations.

Capital additions			
Agriculture and turf	$ 485	$ 556	$ 522
Construction and forestry	114	115	138
Financial services	3	3	6
Total	$ 602	$ 674	$ 666
Investments in unconsolidated affiliates			
Agriculture and turf	$ 25	$ 56	$ 116
Construction and forestry	143	165	177
Financial services	14	12	10
Total	$ 182	$ 233	$ 303

The company views and has historically disclosed its operations as consisting of two geographic areas, the U.S. and Canada, and outside the U.S. and Canada, shown below in millions of dollars. No individual foreign country's net sales and revenues were material for disclosure purposes.

GEOGRAPHIC AREAS	2017	2016	2015
Net sales and revenues			
Unaffiliated customers:			
U.S. and Canada:			
Equipment operations net sales (88%)*	$15,031	$14,376	$16,498
Financial services revenues (79%)*	2,526	2,366	2,252
Total	17,557	16,742	18,750
Outside U.S. and Canada:			
Equipment operations net sales	10,854	9,011	9,277
Financial services revenues	409	328	339
Total	11,263	9,339	9,616
Other revenues	918	563	497
Total	$29,738	$26,644	$28,863

* The percentages indicate the approximate proportion of each amount that relates to the U.S. only and are based upon a three-year average for 2017, 2016, and 2015.

(continued)

GEOGRAPHIC AREAS	2017	2016	2015
Operating profit			
U.S. and Canada:			
Equipment operations	$ 1,724	$ 1,305	$ 1,643
Financial services	523	551	802
Total	2,247	1,856	2,445
Outside U.S. and Canada:			
Equipment operations	1,097	575	534
Financial services	199	158	161
Total	1,296	733	695
Total	$ 3,543	$ 2,589	$ 3,140
Property and equipment			
U.S.	$ 2,976	$ 3,077	$ 3,098
Germany	598	569	568
Other countries	1,494	1,525	1,515
Total	$ 5,068	$ 5,171	$ 5,181

29. SUPPLEMENTAL INFORMATION (UNAUDITED)

Common stock per share sales prices from New York Stock Exchange composite transactions quotations follow:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2017 Market price				
High	$108.06	$113.15	$128.91	$133.25
Low	$ 88.06	$107.05	$110.79	$115.44
2016 Market price				
High	$ 80.19	$ 85.68	$ 87.48	$ 88.09
Low	$ 71.78	$ 74.58	$ 77.71	$ 76.83

At October 29, 2017, there were 21,242 holders of record of the company's $1 par value common stock.

Quarterly information with respect to net sales and revenues and earnings is shown in the following schedule. The company's fiscal year ends in October and its interim periods (quarters) end in January, April, and July. Such information is shown in millions of dollars except for per share amounts.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2017*				
Net sales and revenues	$ 5,625	$ 8,287	$ 7,808	$ 8,018
Net sales	4,698	7,260	6,833	7,094
Gross profit	901	1,815	1,568	1,668
Income before income taxes	328	1,169	890	767
Net income attributable to Deere & Company**	199	808	642	510
Per share data:				
Basic**	.63	2.53	2.00	1.59
Diluted**	.62	2.50	1.97	1.57
Dividends declared	.60	.60	.60	.60
Dividends paid	.60	.60	.60	.60

(continued)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016*				
Net sales and revenues	$ 5,525	$ 7,875	$ 6,724	$ 6,520
Net sales	4,769	7,107	5,861	5,650
Gross profit	929	1,575	1,367	1,267
Income before income taxes	351	733	705	435
Net income attributable to Deere & Company	254	496	489	285
Per share data:				
Basic	.80	1.57	1.55	.91
Diluted	.80	1.56	1.55	.90
Dividends declared	.60	.60	.60	.60
Dividends paid	.60	.60	.60	.60

Net income per share for each quarter must be computed independently. As a result, their sum may not equal the total net income per share for the year.

* See Note 5 for "Special Items."

** Presents restated first and second quarter values for the adoption of FASB ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting. Net income attributable to Deere & Company was $194 million and $802 million, respectively. Adjustments to basic and diluted per share data were not significant.

30. SUBSEQUENT EVENTS

A quarterly dividend of $.60 per share was declared at the Board of Directors meeting on December 6, 2017, payable on February 1, 2018 to stockholders of record on December 29, 2017.

On December 1, 2017, the company acquired the stock and certain assets of substantially all of Wirtgen Group Holding GmbH's (Wirtgen) business operations. Wirtgen, which was a privately-held international company, is the leading manufacturer worldwide of road construction equipment. Headquartered in Germany, Wirtgen has six brands across the road construction sector spanning processing, mixing, paving, compaction, and rehabilitation. Wirtgen sells products in more than 100 countries and has approximately 8,200 employees. The total cash purchase price was €4,475 million (or approximately US $5,327 million based on the exchange rate at the closing date), a portion of which has been held in escrow to secure certain indemnity obligations of Wirtgen. In addition to the cash purchase price, the company assumed substantially all liabilities of Wirtgen. The company financed the acquisition and the transaction expenses from a combination of cash and new debt financing. Wirtgen will be included in the company's construction and forestry operating segment. Due to the recent closing of the acquisition, the formal process necessary to allocate the purchase price to the acquired assets and liabilities has not been completed. The purchase price allocation and proforma results of operations will be completed as soon as practicable within the measurement period.

In November 2017, the company's financial services operations entered into a retail note securitization using its bank conduit facility that resulted in securitization borrowings of approximately $985 million.

31. SUPPLEMENTAL CONSOLIDATING DATA

INCOME STATEMENT

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	EQUIPMENT OPERATIONS*			FINANCIAL SERVICES		
	2017	2016	2015	2017	2016	2015
Net Sales and Revenues						
Net sales	$ 25,885.1	$ 23,387.3	$ 25,775.2			
Finance and interest income	71.7	61.1	77.0	$ 2,928.2	$ 2,690.1	$ 2,557.0
Other income	1,065.0	653.7	602.7	250.9	229.0	258.9
Total	27,021.8	24,102.1	26,454.9	3,179.1	2,919.1	2,815.9
Costs and Expenses						
Cost of sales	19,935.2	18,250.8	20,145.2			
Research and development expenses	1,367.7	1,389.1	1,425.1			
Selling, administrative and general expenses	2,530.7	2,262.5	2,393.8	542.3	508.5	487.3
Interest expense	263.7	250.5	272.8	669.2	536.5	455.0
Interest compensation to Financial Services	234.5	216.6	204.8			
Other operating expenses	257.0	215.7	195.0	1,246.8	1,167.0	911.7
Total	24,588.8	22,585.2	24,636.7	2,458.3	2,212.0	1,854.0
Income of Consolidated Group before Income Taxes	2,433.0	1,516.9	1,818.2	720.8	707.1	961.9
Provision for income taxes	726.0	459.0	509.9	245.1	241.1	330.2
Income of Consolidated Group	1,707.0	1,057.9	1,308.3	475.7	466.0	631.7
Equity in Income (Loss) of Unconsolidated Subsidiaries and Affiliates						
Financial Services	476.9	467.6	632.9	1.2	1.6	1.2
Other	(24.7)	(4.0)	(.3)			
Total	452.2	463.6	632.6	1.2	1.6	1.2
Net Income	2,159.2	1,521.5	1,940.9	476.9	467.6	632.9
Less: Net income (loss) attributable to noncontrolling interests	.1	(2.4)	.9			
Net Income Attributable to Deere & Company	$ 2,159.1	$ 1,523.9	$ 1,940.0	$ 476.9	$ 467.6	$ 632.9

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The "Equipment Operations" reflect the basis of consolidation described in Note 1 to the consolidated financial statements. The consolidated group data in the "Equipment Operations" income statement reflect the results of the agriculture and turf operations and construction and forestry operations. Transactions between the "Equipment Operations" and "Financial Services" have been eliminated to arrive at the consolidated financial statements.

31. SUPPLEMENTAL CONSOLIDATING DATA (continued)

BALANCE SHEET
As of October 29, 2017 and October 30, 2016
(In millions of dollars except per share amounts)

	EQUIPMENT OPERATIONS*		FINANCIAL SERVICES	
	2017	2016	2017	2016
ASSETS				
Cash and cash equivalents	$ 8,168.4	$ 3,140.5	$ 1,166.5	$ 1,195.3
Marketable securities	20.2	34.2	431.4	419.3
Receivables from unconsolidated subsidiaries and affiliates	1,032.1	3,150.1		
Trade accounts and notes receivable – net	876.3	654.2	4,134.1	3,370.5
Financing receivables – net		.4	25,104.1	23,701.9
Financing receivables securitized – net			4,158.8	5,126.5
Other receivables	1,045.6	855.4	195.5	164.0
Equipment on operating leases – net			6,593.7	5,901.5
Inventories	3,904.1	3,340.5		
Property and equipment – net	5,017.3	5,118.5	50.4	52.1
Investments in unconsolidated subsidiaries and affiliates	4,812.3	4,697.0	13.8	11.9
Goodwill	1,033.3	815.7		
Other intangible assets – net	218.0	104.1		
Retirement benefits	538.1	93.6	16.9	20.5
Deferred income taxes	3,098.8	3,556.0	79.8	75.5
Other assets	973.9	834.9	651.4	798.1
Total Assets	$ 30,738.4	$ 26,395.1	$42,596.4	$40,837.1
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Short-term borrowings	$ 375.5	$ 249.0	$ 9,659.8	$ 6,661.7
Short-term securitization borrowings			4,118.7	4,997.8
Payables to unconsolidated subsidiaries and affiliates	121.9	81.5	996.2	3,133.6
Accounts payable and accrued expenses	7,718.1	6,661.2	1,827.1	1,595.2
Deferred income taxes	115.6	87.3	857.7	745.9
Long-term borrowings	5,490.9	4,565.3	20,400.4	19,137.7
Retirement benefits and other liabilities	7,341.9	8,206.0	92.9	89.0
Total liabilities	21,163.9	19,850.3	37,952.8	36,360.9
Commitments and contingencies (Note 22)				
Redeemable noncontrolling interest (Note 4)	14.0	14.0		
STOCKHOLDERS' EQUITY				
Common stock, $1 par value (authorized – 1,200,000,000 shares; issued – 536,431,204 shares in 2017 and 2016), at paid-in amount	4,280.5	3,911.8	2,099.1	2,079.1
Common stock in treasury, 214,589,902 shares in 2017 and 221,663,380 shares in 2016, at cost	(15,460.8)	(15,677.1)		
Retained earnings	25,301.3	23,911.3	2,782.0	2,670.3
Accumulated other comprehensive income (loss)	(4,563.7)	(5,626.0)	(237.5)	(273.2)
Total Deere & Company stockholders' equity	9,557.3	6,520.0	4,643.6	4,476.2
Noncontrolling interests	3.2	10.8		
Total stockholders' equity	9,560.5	6,530.8	4,643.6	4,476.2
Total Liabilities and Stockholders' Equity	$ 30,738.4	$ 26,395.1	$42,596.4	$40,837.1

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The ''Equipment Operations'' reflect the basis of consolidation described in Note 1 to the consolidated financial statements. Transactions between the ''Equipment Operations'' and ''Financial Services'' have been eliminated to arrive at the consolidated financial statements.

31. SUPPLEMENTAL CONSOLIDATING DATA (continued)

STATEMENT OF CASH FLOWS
For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015
(In millions of dollars)

	EQUIPMENT OPERATIONS*			FINANCIAL SERVICES		
	2017	2016	2015	2017	2016	2015
Cash Flows from Operating Activities						
Net income	$ 2,159.2	$ 1,521.5	$ 1,940.9	$ 476.9	$ 467.6	$ 632.9
Adjustments to reconcile net income to net cash provided by operating activities:						
Provision for credit losses	9.9	8.2	5.5	88.4	86.1	49.9
Provision for depreciation and amortization	839.3	803.4	791.8	984.3	846.7	688.5
Impairment charges	39.8	25.4	15.3		59.7	19.5
Gain on sale of unconsolidated affiliates and investments	(375.1)	(74.5)				
Undistributed earnings of unconsolidated subsidiaries and affiliates	(125.0)	94.0	46.6	(1.1)	(1.5)	(1.0)
Provision (credit) for deferred income taxes	(6.7)	13.2	(139.8)	106.8	269.5	121.4
Changes in assets and liabilities:						
Trade receivables	(243.9)	(175.3)	113.4			
Insurance receivables						333.4
Inventories	(504.3)	578.4	(17.0)			
Accounts payable and accrued expenses	946.2	(169.6)	(253.8)	93.9	40.6	(245.4)
Accrued income taxes payable/receivable	(122.7)	18.2	(114.5)	38.5	(11.2)	(4.6)
Retirement benefits	(39.2)	232.4	414.3	7.3	6.2	13.2
Other	(139.5)	36.5	271.1	81.5	97.1	(25.7)
Net cash provided by operating activities	2,438.0	2,911.8	3,073.8	1,876.5	1,860.8	1,582.1
Cash Flows from Investing Activities						
Collections of receivables (excluding trade and wholesale)				15,963.2	15,831.4	16,266.1
Proceeds from maturities and sales of marketable securities	297.9	81.9	700.1	106.3	87.5	160.6
Proceeds from sales of equipment on operating leases				1,440.8	1,256.2	1,049.4
Proceeds from sales of businesses and unconsolidated affiliates, net of cash sold	113.9	81.1				149.2
Cost of receivables acquired (excluding trade and wholesale)				(16,799.9)	(15,168.2)	(16,327.8)
Purchases of marketable securities		(59.4)	(60.0)	(118.0)	(111.8)	(94.9)
Purchases of property and equipment	(591.4)	(641.8)	(688.1)	(3.5)	(2.6)	(5.9)
Cost of equipment on operating leases acquired				(3,079.8)	(3,235.7)	(3,043.6)
Increase in investment in Financial Services	(20.0)	(28.2)	(27.4)			
Acquisitions of businesses, net of cash acquired	(284.2)	(198.5)				
Decrease (increase) in trade and wholesale receivables				(379.9)	492.5	657.0
Other	(32.7)	(55.2)	6.8	(26.5)	24.6	(45.1)
Net cash used for investing activities	(516.5)	(820.1)	(68.6)	(2,897.3)	(826.1)	(1,235.0)
Cash Flows from Financing Activities						
Increase (decrease) in total short-term borrowings	64.5	(207.2)	211.9	1,246.1	(1,006.4)	289.7
Change in intercompany receivables/payables	2,142.0	(756.0)	928.6	(2,142.0)	756.0	(928.6)
Proceeds from long-term borrowings	1,107.0	173.4	6.2	7,595.2	4,897.3	5,704.8
Payments of long-term borrowings	(66.3)	(72.8)	(214.2)	(5,330.7)	(5,194.8)	(4,649.0)
Proceeds from issuance of common stock	528.7	36.0	172.1			
Repurchases of common stock	(6.2)	(205.4)	(2,770.7)			
Capital investment from Equipment Operations				20.0	28.2	27.4
Dividends paid	(764.0)	(761.3)	(816.3)	(365.2)	(562.1)	(679.6)
Other	(54.4)	(36.7)	(45.4)	(33.4)	(28.0)	(26.7)
Net cash provided by (used for) financing activities	2,951.3	(1,830.0)	(2,527.8)	990.0	(1,109.8)	(262.0)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	155.1	(21.2)	(146.6)	2.0	8.2	(40.7)
Net Increase (Decrease) in Cash and Cash Equivalents	5,027.9	240.5	330.8	(28.8)	(66.9)	44.4
Cash and Cash Equivalents at Beginning of Year	3,140.5	2,900.0	2,569.2	1,195.3	1,262.2	1,217.8
Cash and Cash Equivalents at End of Year	$ 8,168.4	$ 3,140.5	$ 2,900.0	$ 1,166.5	$ 1,195.3	$ 1,262.2

* Deere & Company with Financial Services on the equity basis.

The supplemental consolidating data is presented for informational purposes. The ''Equipment Operations'' reflect the basis of consolidation described in Note 1 to the consolidated financial statements. Transactions between the ''Equipment Operations'' and ''Financial Services'' have been eliminated to arrive at the consolidated financial statements.

DEERE & COMPANY
SELECTED FINANCIAL DATA
(Dollars in millions except per share amounts)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net sales and revenues	$29,738	$26,644	$28,863	$36,067	$37,795	$36,157	$32,013	$26,005	$23,112	$28,438
Net sales	25,885	23,387	25,775	32,961	34,998	33,501	29,466	23,573	20,756	25,803
Finance and interest income	2,732	2,511	2,381	2,282	2,115	1,981	1,923	1,825	1,842	2,068
Research and development expenses	1,368	1,389	1,425	1,452	1,477	1,434	1,226	1,052	977	943
Selling, administrative and general expenses	3,067	2,764	2,873	3,284	3,606	3,417	3,169	2,969	2,781	2,960
Interest expense	900	764	680	664	741	783	759	811	1,042	1,137
Net income*	2,159	1,524	1,940	3,162	3,537	3,065	2,800	1,865	873	2,053
Return on net sales	8.3%	6.5%	7.5%	9.6%	10.1%	9.1%	9.5%	7.9%	4.2%	8.0%
Return on beginning Deere & Company stockholders' equity	33.1%	22.6%	21.4%	30.8%	51.7%	45.1%	44.5%	38.7%	13.4%	28.7%
Comprehensive income (loss)*	3,221	627	994	2,072	5,416	2,171	2,502	2,079	(1,333)	1,303
Net income per share – basic*	$ 6.76	$ 4.83	$ 5.81	$ 8.71	$ 9.18	$ 7.72	$ 6.71	$ 4.40	$ 2.07	$ 4.76
– diluted*	6.68	4.81	5.77	8.63	9.09	7.63	6.63	4.35	2.06	4.70
Dividends declared per share	2.40	2.40	2.40	2.22	1.99	1.79	1.52	1.16	1.12	1.06
Dividends paid per share	2.40	2.40	2.40	2.13	1.94	1.74	1.41	1.14	1.12	1.03
Average number of common shares outstanding (in millions) – basic	319.5	315.2	333.6	363.0	385.3	397.1	417.4	424.0	422.8	431.1
– diluted	323.3	316.6	336.0	366.1	389.2	401.5	422.4	428.6	424.4	436.3
Total assets**	$65,786	$57,918	$57,883	$61,267	$59,454	$56,193	$48,146	$43,186	$41,023	$38,696
Trade accounts and notes receivable – net	3,925	3,011	3,051	3,278	3,758	3,799	3,295	3,464	2,617	3,235
Financing receivables – net	25,104	23,702	24,809	27,422	25,633	22,159	19,924	17,682	15,255	16,017
Financing receivables securitized – net	4,159	5,127	4,835	4,602	4,153	3,618	2,905	2,238	3,108	1,645
Equipment on operating leases – net	6,594	5,902	4,970	4,016	3,152	2,528	2,150	1,936	1,733	1,639
Inventories	3,904	3,341	3,817	4,210	4,935	5,170	4,371	3,063	2,397	3,042
Property and equipment – net	5,068	5,171	5,181	5,578	5,467	5,012	4,352	3,791	4,532	4,128
Short-term borrowings:**										
Equipment operations	375	249	464	434	1,080	425	529	85	490	218
Financial services	9,660	6,662	7,961	7,584	7,707	5,966	6,307	5,239	3,535	6,619
Total	10,035	6,911	8,425	8,018	8,787	6,391	6,836	5,324	4,025	6,837
Short-term securitization borrowings:** Financial services	4,119	4,998	4,585	4,553	4,103	3,569	2,773	2,204	3,126	1,679
Long-term borrowings:**										
Equipment operations	5,491	4,565	4,439	4,619	4,845	5,418	3,155	3,316	3,058	1,984
Financial services	20,400	19,138	19,336	19,699	16,673	16,970	13,764	13,424	14,232	11,880
Total	25,891	23,703	23,775	24,318	21,518	22,388	16,919	16,740	17,290	13,864
Total Deere & Company stockholders' equity	9,557	6,520	6,743	9,063	10,266	6,842	6,800	6,290	4,819	6,533
Book value per share*	$ 29.70	$ 20.71	$ 21.29	$ 26.23	$ 27.46	$ 17.64	$ 16.75	$ 14.90	$ 11.39	$ 15.47
Capital expenditures	$ 586	$ 668	$ 655	$ 1,004	$ 1,132	$ 1,360	$ 1,050	$ 795	$ 767	$ 1,117
Number of employees (at year end)	60,476	56,767	57,180	59,623	67,044	66,859	61,278	55,650	51,262	56,653

* Attributable to Deere & Company.
** Restated balances for adoption of FASB ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs. See Note 3.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying consolidated balance sheets of Deere & Company and subsidiaries (the ''Company'') as of October 29, 2017 and October 30, 2016, and the related statements of consolidated income, consolidated comprehensive income, changes in consolidated stockholders' equity, and consolidated cash flows for each of the three years in the period ended October 29, 2017. Our audits also included the financial statement schedule listed in the Index under Part IV, Item 15(2). We also have audited the Company's internal control over financial reporting as of October 29, 2017, based on criteria established *in Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and financial statement schedule and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of October 29, 2017 and October 30, 2016, and the results of their operations and their cash flows for each of the three years in the period ended October 29, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 29, 2017, based on the criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ DELOITTE & TOUCHE LLP
Chicago, Illinois
December 18, 2017

2.1 Share and Asset Sale and Purchase Agreement, dated May 31, 2017, between Deere & Company and Wirtgen Group Holding GmbH (Exhibit 2.1 to Form 8-K of registrant dated June 1, 2017*)

2.2 Accession Agreement to the Share and Asset Sale and Purchase Agreement, dated November 24, 2017, between Wirtgen Group Holding GmbH as Seller, Deere & Company as Purchaser, and Purchaser's Nominees: John Deere GmbH & Co. KG, John Deere Construction & Forestry Company, John Deere Asia (Singapore) Private Limited, John Deere Holding S.à r.L., John Deere India Private Limited, John Deere-Lanz Verwaltungs-GmbH, John Deere Proprietary Limited, WMT GmbH, and John Deere Technologies S.C.S.

2.3 First Amendment to the Share and Asset Sale and Purchase Agreement, dated November 24, 2017, between Deere & Company and Wirtgen Group Holding GmbH**

2.4 Second Amendment to the Share and Asset Sale and Purchase Agreement, dated December 1, 2017, between between Wirtgen Group Holding GmbH as Seller, Deere & Company as Purchaser, and Purchaser's Nominees: John Deere GmbH & Co. KG, John Deere Construction & Forestry Company, John Deere Asia (Singapore) Private Limited, John Deere Holding S.à r.L., John Deere India Private Limited, John Deere-Lanz Verwaltungs-GmbH, John Deere Proprietary Limited, WMT GmbH, and John Deere Technologies S.C.S.**

3.1 Certificate of incorporation, as amended (Exhibit 3.1 to Form 8-K of registrant dated February 26, 2010, Securities and Exchange Commission File Number 1-4121*)

3.2 Certificate of Designation Preferences and Rights of Series A Participating Preferred Stock (Exhibit 3.2 to Form 10-K of registrant for the year ended October 31, 1998, Securities and Exchange Commission File Number 1-4121*)

3.3 Bylaws, as amended (Exhibit 3.1 to Form 8-K of registrant dated September 1, 2016, Securities and Exchange Commission File Number 1-4121*)

4.1 Form of common stock certificate (Exhibit 4.6 to Form 10-K of registrant for the year ended October 31, 1998, Securities and Exchange Commission File Number 1-4121*)

4.2 Indenture dated as of September 25, 2008 between the registrant and The Bank of New York Mellon, as Trustee (Exhibit 4.1 to the registration statement on Form S-3ASR no. 333-153704, filed September 26, 2008, Securities and Exchange Commission file number 1-4121*)

4.3 Terms and Conditions of the Euro Medium Term Notes, published on February 2, 2017, applicable to the U.S. $3,000,000,000 Euro Medium Term Note Programme of registrant, John Deere Capital Corporation, John Deere Bank S.A., and John Deere Cash Management S.A.

Certain instruments relating to long-term debt constituting less than 10% of the registrant's total assets, are not filed as exhibits herewith pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. The registrant will file copies of such instruments upon request of the Commission.

10.1 Agreement as amended November 1, 1994 between registrant and John Deere Capital Corporation concerning agricultural retail notes (Exhibit 10.1 to Form 10-K of registrant for the year ended October 31, 1998, Securities and Exchange Commission File Number 1-4121*)

10.2 Agreement as amended November 1, 1994 between registrant and John Deere Capital Corporation relating to lawn and grounds care retail notes (Exhibit 10.2 to Form 10-K of registrant for the year ended October 31, 1998, Securities and Exchange Commission File Number 1-4121*)

10.3 Agreement as amended November 1, 1994 between John Deere Construction Equipment Company, a wholly-owned subsidiary of registrant and John Deere Capital Corporation concerning construction retail notes (Exhibit 10.3 to Form 10-K of registrant for the year ended October 31, 1998, Securities and Exchange Commission File Number 1-4121*)

10.4 Agreement dated July 14, 1997 between the John Deere Construction Equipment Company and John Deere Capital Corporation concerning construction retail notes (Exhibit 10.4 to Form 10-K of registrant for the year ended October 31, 2003, Securities and Exchange Commission File Number 1-4121*)

10.5 Agreement dated November 1, 2003 between registrant and John Deere Capital Corporation relating to fixed charges ratio, ownership and minimum net worth of John Deere Capital Corporation (Exhibit 10.5 to Form 10-K of registrant for the year ended October 31, 2003, Securities and Exchange Commission File Number 1-4121*)

10.6 Deere & Company Voluntary Deferred Compensation Plan as amended January 2014 (Exhibit 10.6 to Form 10-K of registrant for the year ended October 31, 2014, Securities and Exchange Commission File Number 1-4121*)

10.7 John Deere Short-Term Incentive Bonus Plan as amended February 25, 2015 (Appendix E to Proxy Statement of registrant filed January 14, 2015 Securities and Exchange Commission File Number 1-4121*)

10.8 John Deere Mid-Term Incentive Plan (Appendix A to Proxy Statement of registrant filed January 14, 2013, Securities and Exchange Commission File Number 1-4121*)

10.9 John Deere Omnibus Equity and Incentive Plan as amended February 25, 2015 (Appendix D to Proxy Statement of registrant filed January 14, 2015 Securities and Exchange Commission File Number 1-4121*)

10.10 Form of Terms and Conditions for John Deere Nonqualified Stock Option Grant (Exhibit 10.10 to Form 10-K of registrant for the year ended October 31, 2010, Securities and Exchange Commission File Number 1-4121*)

10.11 Form of John Deere Restricted and Performance Stock Unit Grant for Employees (Exhibit 10.11 to Form 10-K of the registrant for the year ended October 31, 2012, Securities and Exchange Commission File Number 1-4121*)

10.12 Form of John Deere Restricted Stock Unit Grant for Directors (Exhibit 10.13 to Form 10-K of the registrant for the year ended October 31, 2008, Securities and Exchange Commission File Number 1-4121*)

10.13 Form of Nonemployee Director Restricted Stock Grant (Exhibit 10.13 to Form 10-K of registrant for the year ended October 31, 2004, Securities and Exchange Commission File Number 1-4121*)

10.14 John Deere Defined Contribution Restoration Plan as amended October 2016

10.15 John Deere Supplemental Pension Benefit Plan, as amended October 2014 (Exhibit 10.15 to Form 10-K of registrant for the year ended October 31, 2014, Securities and Exchange Commission File Number 1-4121*)

10.16 John Deere Senior Supplementary Pension Benefit Plan as amended October 2014 (Exhibit 10.16 to Form 10-K of registrant for the year ended October 31, 2014, Securities and Exchange Commission File Number 1-4121*)

10.17 John Deere ERISA Supplementary Pension Benefit Plan as amended December 2011 (Exhibit 10.17 to Form 10-K of registrant for the year ended October 31, 2014, Securities and Exchange Commission File Number 1-4121*)

10.18 Nonemployee Director Stock Ownership Plan (Appendix A to Proxy Statement of registrant filed on January 13, 2012, Securities and Exchange Commission File Number 1-4121*)

10.19 Deere & Company Nonemployee Director Deferred Compensation Plan, as amended October 2016

10.20 Change in Control Severance Program, effective August 26, 2009 (Exhibit 10 to Form 8-K of registrant dated August 26, 2009, Securities and Exchange Commission File Number 1-4121*)

10.21 Executive Incentive Award Recoupment Policy (Exhibit 10.9 to Form 10-Q of registrant for the quarter ended January 31, 2008, Securities and Exchange Commission File Number 1-4121*)

10.22 Asset Purchase Agreement dated October 29, 2001 between registrant and Deere Capital, Inc. concerning the sale of trade receivables (Exhibit 10.19 to Form 10-K of registrant for the year ended October 31, 2001, Securities and Exchange Commission File Number 1-4121*)

10.23 Asset Purchase Agreement dated October 29, 2001 between John Deere Construction & Forestry Company and Deere Capital, Inc. concerning the sale of trade receivables (Exhibit 10.20 to Form 10-K of registrant for the year ended October 31, 2001, Securities and Exchange Commission File Number 1-4121*)

10.24 Factoring Agreement dated September 20, 2002 between John Deere Bank S.A. (as successor in interest to John Deere Finance S.A.) and John Deere Vertrieb, a branch of Deere & Company, concerning the sale of trade receivables (Exhibit 10.21 to Form 10-K of registrant for the year ended October 31, 2002, Securities and Exchange Commission File Number 1-4121*)

10.25 Receivables Purchase Agreement dated August 23, 2002 between John Deere Bank S.A. (as successor in interest to John Deere Finance S.A.) and John Deere Limited (Scotland) concerning the sale of trade receivables (Exhibit 10.22 to Form 10-K of registrant for the year ended October 31, 2002, Securities and Exchange Commission File Number 1-4121*)

10.26 Joint Venture Agreement dated May 16, 1988 between registrant and Hitachi Construction Machinery Co., Ltd ((Exhibit 10.26 to Form 10-K of registrant for the year ended October 31, 2005, Securities and Exchange Commission File Number 1-4121*)

10.27 Marketing Profit Sharing Agreement dated January 1, 2002 between John Deere Construction and Forestry Equipment Company (also known as John Deere Construction & Forestry Company) and Hitachi Construction Machinery Holding U.S.A. Corporation (Exhibit 10.27 to Form 10-K of registrant for the year ended October 31, 2005, Securities and Exchange Commission File Number 1-4121*)

10.28 Integrated Marketing Agreement dated October 16, 2001 between registrant and Hitachi Construction Machinery Co. Ltd. (Exhibit 10.28 to Form 10-K of registrant for the year ended October 31, 2005, Securities and Exchange Commission File Number 1-4121*)

10.29 2021 Credit Agreement among the registrant, John Deere Capital Corporation, John Deere Bank S.A., various financial institutions, JPMorgan Chase Bank, N.A., as administrative agent, Citibank, N.A. and Deutsche Bank Securities Inc., as documentation agents, and Bank of America, N.A., as syndication agent, dated February 17, 2017 (Exhibit 10.1 to form 10-Q of registrant for the quarter ended January 29, 2017, Securities and Exchange Commission File Number 1-4121*)

10.30 2022 Credit Agreement among the registrant, John Deere Capital Corporation, John Deere Bank S.A., various financial institutions, JPMorgan Chase Bank, N.A., as administrative agent, Citibank, N.A. and Deutsche Bank Securities Inc., as documentation agents, and Bank of America, N.A., as syndication agent, dated February 17, 2017 (Exhibit 10.2 to form 10-Q of registrant for the quarter ended January 29, 2017, Securities and Exchange Commission File Number 1-4121*)

12. Computation of ratio of earnings to fixed charges

21. Subsidiaries

23. Consent of Deloitte & Touche LLP

24. Power of Attorney (included on signature page)

31.1 Rule 13a-14(a)/15d-14(a) Certification

31.2 Rule 13a-14(a)/15d-14(a) Certification

32 Section 1350 Certifications

101 Interactive Data File

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* Incorporated by reference. Copies of these exhibits are available from the Company upon request.

** Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Deere hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the U.S. Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DEERE & COMPANY

By: */s/ Samuel R. Allen*

Samuel R. Allen
Chairman and Chief Executive Officer

Date: December 18, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Each person signing below also hereby appoints Samuel R. Allen, Rajesh Kalathur and Todd E. Davies, and each of them singly, his or her lawful attorney-in-fact with full power to execute and file any and all amendments to this report together with exhibits thereto and generally to do all such things as such attorney-in-fact may deem appropriate to enable Deere & Company to comply with the provisions of the Securities Exchange Act of 1934 and all requirements of the Securities and Exchange Commission.

Signature	Title	Date
/s/ Samuel R. Allen Samuel R. Allen	Chairman, Chief Executive Officer and Director	
/s/ Vance D. Coffman Vance D. Coffman	Director	
/s/ Alan C. Heuberger Alan C. Heuberger	Director	
/s/ Michael O. Johanns Michael O. Johanns	Director	
/s/ Clayton M. Jones Clayton M. Jones	Director	
/s/ Brian M. Krzanich Brian M. Krzanich	Director	
/s/ Rajesh Kalathur Rajesh Kalathur	Senior Vice President and Chief Financial Officer	December 18, 2017

		)
/s/ Gregory R. Page	Director	)
Gregory R. Page		)
		)
		)
/s/ Sherry M. Smith	Director	)
Sherry M. Smith		)
		)
		)
/s/ Dmitri L. Stockton	Director	)
Dmitri L. Stockton		)
		)
		)
/s/ Sheila G. Talton	Director	)
Sheila G. Talton		)
		)
		)

SCHEDULE II

DEERE & COMPANY AND CONSOLIDATED SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015
(in thousands of dollars)

Column A	Column B	Column C			Column D		Column E
		Additions					
	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts		Deductions		Balance at end of period
Description			Description	Amount	Description	Amount	
YEAR ENDED OCTOBER 29, 2017							
Allowance for credit losses:							
Equipment operations:							
Trade receivable allowances	$ 44,913	$ 10,145	Bad debt recoveries	$ 319	Trade receivable write-offs	$ 3,398	$ 50,224
					Other-primarily translation	1,755	
Financial services:							
Trade receivable allowances	4,880	952	Bad debt recoveries	53	Trade receivable write-offs	239	5,694
			Other-primarily translation	48			
Financing receivable allowances	176,440	87,525	Bad debt recoveries	40,835	Financing receivable write-offs	115,895	187,562
					Other-primarily translation	1,343	
Consolidated receivable allowances	$ 226,233	$ 98,622		$ 41,255		$ 122,630	$ 243,480
YEAR ENDED OCTOBER 30, 2016							
Allowance for credit losses:							
Equipment operations:							
Trade receivable allowances	$ 34,891	$ 8,132	Bad debt recoveries	$ 294	Trade receivable write-offs	$ 3,073	$ 44,913
			Other-primarily translation	4,669			
Financial services:							
Trade receivable allowances	5,932	2,893	Bad debt recoveries	81	Trade receivable write-offs	4,073	4,880
			Other-primarily translation	47			
Financing receivable allowances	157,621	84,230	Bad debt recoveries	30,838	Financing receivable write-offs	103,111	176,440
			Other-primarily translation	6,862			
Consolidated receivable allowances	$ 198,444	$ 95,255		$ 42,791		$ 110,257	$ 226,233
YEAR ENDED NOVEMBER 1, 2015							
Allowance for credit losses:							
Equipment operations:							
Trade receivable allowances	$ 50,248	$ 5,270	Bad debt recoveries	$ 116	Trade receivable write-offs	$ 5,260	$ 34,891
					Other-primarily translation	15,483	
Financial services:							
Trade receivable allowances	5,298	1,172	Bad debt recoveries	230	Trade receivable write-offs	329	5,932
					Other-primarily translation	439	
Financing receivable allowances	174,632	46,481	Bad debt recoveries	25,987	Financing receivable write-offs	66,807	157,621
					Other-primarily translation	22,672	
Consolidated receivable allowances	$ 230,178	$ 52,923		$ 26,333		$ 110,990	$ 198,444

Accession Agreement

to the Share and Asset Sale and Purchase Agreement

- hereinafter referred to as the "**Agreement**" -

between

1 **WIRTGEN GROUP Holding GmbH**,

with its registered seat in Windhagen, Germany, business address Reinhard-Wirtgen-Straße 2, 53578 Windhagen, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under registration number HRB 10492

- hereinafter referred to as the "**Seller**" -

2 **Deere & Company**,

a corporation organized and existing under the laws of the State of Delaware, USA, with business address One John Deere Place, Moline, Illinois 61265, USA, registered with the Secretary of State of the State of Delaware under registration number 522909

- hereinafter referred to as the "**Purchaser**" -

3 **John Deere GmbH & Co. KG**,

with its registered seat in Mannheim, Germany, with business address John-Deere-Str. 70, 68163 Mannheim, Germany, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Mannheim under registration number HRA 704371, in relation to the Sold Assets acting through its registered branch **John Deere GmbH & Co. KG - WIRTGEN GROUP**

- hereinafter referred to as "**John Deere GmbH & Co. KG**" -

4 **John Deere Construction & Forestry Company**,

a corporation organized and existing under the laws of the State of Delaware, USA, with business address 1515 5th Ave #200, Moline, Illinois 61265, USA, registered with the Secretary of State of the State of Delaware under registration number 716911

- hereinafter referred to as "**John Deere Construction & Forestry Company**" -

5 **John Deere Asia (Singapore) Private Limited**,

a corporation organized and existing under the laws of Singapore, with business address 438 Alexandra Road, #12-01/04, Alexandra Point, Singapore (11995), registered with the accounting and corporate regulatory authority (ACRA) under registration number 200610270R

- hereinafter referred to as "**John Deere Asia (Singapore) Private Limited**" -

6 **John Deere Holding S.à r.l.**,

a corporation organized and existing under the laws of Luxembourg, with business address 43 avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, registered with the commercial and corporate register (*Registre de Commerce et des Sociétés*) of Luxembourg under registration number B164515

- hereinafter referred to as "**John Deere Holding S.à r.l.**" -

7 **John Deere India Private Limited**,

a corporation organized and existing under the laws of India, with business address Tower XIV, Cybercity, Magarpatta City, Hadapsar, Pune – 411013, Maharashtra, India, registered under the Companies Act 2013 with the company identification number (*CIN*) U74220PN1997PTC112441 and registration number 112441

- hereinafter referred to as "**John Deere India Private Limited**" -

8 **John Deere-Lanz Verwaltungs-GmbH**,

with its registered seat in Mannheim, Germany, business address John-Deere-Straße 70, 68163 Mannheim, Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Mannheim under registration number HRB 728530

- hereinafter referred to as "**John Deere-Lanz Verwaltungs-GmbH**" -

9 **John Deere Proprietary Limited**,

a corporation organized and existing under the laws of South Africa, with business address Hughes Extension 47, Stand 303 Oscar Street, Boksburg, South Africa, registered in the Republic of South Africa under registration number 1950/037595/07

- hereinafter referred to as "**John Deere Proprietary Limited**" -

10 **WMT GmbH**,

with its registered seat in Mannheim, Germany, with business address John-Deere-Straße 70, 68163 Mannheim, Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Stuttgart under registration number HRB 761485

- hereinafter referred to as "**WMT GmbH**" -

11 **John Deere Technologies S.C.S.**,

a limited partnership organized and existing under the laws of Luxembourg, with business address 7 rue Robert Stümper, 2557 Luxembourg, Grand Duchy of Luxembourg, registered with the commercial and corporate register (*Registre de Commerce et des Sociétés*) of Luxembourg under registration number B218141

- hereinafter referred to as "**John Deere Technologies S.C.S.**" –

- the parties according to nos. 3 through 11 hereinafter collectively referred to as the "**Purchaser's Nominees**" -

- the Seller, the Purchaser and the Purchaser's Nominees
hereinafter collectively referred to as the "**Parties**" -

Recitals

(A) On 31 May 2017, the Seller and the Purchaser entered into a Share and Asset Sale and Purchase Agreement (Roll of Deeds No. 881 for 2017 K of the notary Dr. Marcus Kämpfer, Düsseldorf, as amended on the date of and prior to entering into this Agreement before the notary Dr. Marcus Kämpfer, Düsseldorf; hereinafter referred to as the "**SPA**"), whereby the Seller has agreed to sell and transfer substantially the entire business operations including all assets pertaining to the Wirtgen Business to the Purchaser.

(B) Pursuant to Sec. 3(4) of the SPA, the Purchaser is entitled to assign its rights and obligations under the SPA to purchase and/or acquire legal title in relation to any of the Shares and/or the Sold Assets and to assign any other related rights and/or obligations under the SPA to one or more nominees of the Purchaser with the effect that such Purchaser's nominees shall become parties to the SPA.

(C) By way of this Agreement, the Purchaser intends to nominate the Purchaser's Nominees and to assign its rights and obligations under the SPA to purchase and acquire legal title in relation to certain of the Shares and the Sold Assets to such Purchaser's Nominees in accordance with Sec. 3(4) of the SPA and the Purchaser's Nominees wish to accept such assignment and, in so doing, accede to the SPA.

Now, therefore, the Parties agree as follows:

1 Accession to the SPA

Subject to the assignment of rights and obligations as set forth in Clause 2 below, each of the Purchaser's Nominees hereby accedes and becomes a party to the SPA and the Seller and the Purchaser hereby accept and approve such accession.

2 Assignment of rights and obligations pursuant to Sec. 3(4) of the SPA

The Purchaser hereby nominates and assigns its rights and obligations under the SPA to purchase and acquire legal title in relation to certain Shares and/or the Sold Assets as well as any rights and obligations under the SPA pertaining to such Shares and/or the Sold Assets to the Purchaser's Nominees as follows:

2.1 John Deere GmbH & Co. KG

- the Sold Assets; and
- the Share held by the Seller in **Wirtgen (Thailand) Co., Ltd.** (formerly operating under Wirtgen Machinery (Thailand) Company Limited), a company incorporated under the laws of Thailand, registered under No. 0115540004433.

2.2 John Deere Construction & Forestry Company

- all Shares held by the Seller in **Wirtgen Inc.**, a company incorporated with the Secretary of State of the State of Delaware, USA, under No. 3396986.

2.3 John Deere Asia (Singapore) Private Limited

- all Shares held by the Seller in **Wirtgen Singapore Pte Ltd.**, a company incorporated under the laws of Singapore, registered with the commercial register of Singapore under No. 199602575N;
- the Shares with share certificate numbers
  - 29 (representing 2,004,282 equity shares from number 41 to number 2,004,322);
  - 30 (representing 706,896 equity shares from number 2,004,323 to number 2,711,218);
  - 31 (representing 166,180 equity shares from number 2,711,219 to number 2,877,398); and
  - 32 (representing 538,650 equity shares from number 2,877,399 to number 3,416,048)

  held by the Seller in **Wirtgen India Private Limited**, a company incorporated under Indian laws, registered with the company register under company identification number (*CIN*) U29211PN1995PTC142477 and registration number 142477, it being understood, however, that any obligations arising from or in connection with § 4(3a)b) and § 4(3a)e) of the SPA shall not be assigned to John Deere Asia (Singapore) Private Limited but to John Deere-Lanz Verwaltungs-GmbH.

2.4 John Deere Holding S.à r.l.

All Shares held by the Seller in

- **WIG Verwaltung GmbH**, a company incorporated under Austrian laws, registered with the company register (*Firmenbuch*) at the regional court (*Landgericht*) of Wels under FN 315069 m;
- **Wirtgen Ankara Makine Sanayi ve Ticaret Limited Şirketi**, a company incorporated under Turkish laws, registered with the Ankara trade registry under No. 233562;
- **Wirtgen Belgium B.V.B.A.**, a company incorporated under Belgian laws, registered with the register of legal entities of Antwerp (division Mechelen), No. BE 0413.842.778;
- **Wirtgen Denmark A/S**, a company incorporated under Danish laws, registered with the company register (*CVR*) under No. 81667217;
- **Wirtgen France S.A.S.**, a company incorporated under French laws, registered in the companies and trade registry of Pontoise under No. 722 036 134;

- **Wirtgen International GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 12873;
- **Wirtgen Ireland Ltd.**, a company incorporated under Irish laws, registered in Ireland under No. 354269;
- **Wirtgen Japan Co., Ltd.**, a company incorporated under Japanese laws, registered with the Legal Affairs Bureau under No. 0100-01-011456;
- **Wirtgen Ltd.**, a company incorporated under English laws, registered with the Companies House under company number 03026300;
- **Wirtgen Macchine S.r.l.**, a company incorporated under Italian laws, registered with the company register of Milan under No. 06448990157;
- **Wirtgen Nederland B.V.**, a company incorporated under Dutch laws, registered with the company register (*Kamer van Koophandel*) under No. 32052337; and
- **Wirtgen Österreich GmbH**, a company incorporated under Austrian laws, registered with the company register (*Firmenbuch*) of the regional court (*Landgericht*) of Wels under FN 218183 h.

2.5 John Deere India Private Limited

- the Shares with share certificate numbers
  - 33 (representing 858,695 equity shares from number 3,416,049 to number 4,274,743);
  - 34 (representing 2,219,692 equity shares from number 4,274,744 to number 6,494,435);
  - 35 (representing 9,395,556 equity shares from number 6,494,436 to number 15,889,991); and
  - 36 (representing 13,939,609 equity shares from number 15,889,992 to number 29,829,600)

  held by the Seller in **Wirtgen India Private Limited**, a company incorporated under Indian laws, registered with the company register under company identification number (*CIN*) U29211PN1995PTC142477 and registration number 142477, it being understood, however, that any obligations arising from or in connection with § 4(3a)b) and §4(3a)e) of the SPA shall not be assigned to John Deere India Private Limited but to John Deere-Lanz Verwaltungs-GmbH.

2.6 John Deere-Lanz Verwaltungs-GmbH

All Shares held by the Seller in

- **ERSEG GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 13917;
- **Wirtgen Augsburg Vertriebs- und Service GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Augsburg under HRB 20259;

- **Wirtgen Hamburg Vertriebs- und Service GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Walsrode under HRB 5755;
- **Wirtgen North Africa GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 21670;
- **Wirtgen Road Technologies GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 23312;
- **Wirtgen Used Equipment GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 13962;
- **Wirtgen Windhagen Vertriebs- und Service GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 14708; and
- **Wirtgen Zwickau Vertriebs- und Service GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Chemnitz under HRB 20672.

In addition, it being understood that any obligations arising from or in connection with § 4(3a)b) and §4(3a)e) of the SPA shall be assigned to John Deere-Lanz Verwaltungs-GmbH.

2.7 John Deere Proprietary Limited

- all Shares held by the Seller in **Wirtgen South Africa Proprietary Limited**, a company incorporated under the laws of South Africa, registered in the companies register under No. 1999/010901/07.

2.8 WMT GmbH

All Shares held by the Seller in

- **Kleemann GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Ulm under HRB 530810;
- **Kleemann Immobilien GmbH & Co. KG**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Ulm under HRA 720940; and
- **Wirtgen Mineral Technologies GmbH**, a company incorporated under German laws, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under HRB 23351.

2.9 John Deere Technologies S.C.S.

- all Shares held by the Seller in **Ciber Equipamentos Rodoviários Ltda.**, a company incorporated under Brazilian laws, registered with the company register under NIRE 432.037.116-16 and CNPJ/MF No. 92.678.093/0001-26.

2.10 Each of the Purchaser's Nominees hereby accepts its nomination and the respective assignment of rights and obligations under the SPA as set forth in this Clause 2. The Seller hereby accepts and approves such nominations and assignments.

2.11 For the avoidance of doubt, the assignments pursuant to this Clause 2 shall apply to all relevant rights and obligations under the provisions of the SPA regardless of whether or not the Purchaser's Nominee concept is expressly reflected in any such provisions of the SPA. Accordingly, any reference to a Purchaser's Nominee used in certain provisions of the SPA shall not limit, or to be construed as to limit, the assignment pursuant to Clause 2 of this Agreement in relation to other provisions in the SPA.

3 Debt-discharging effect

For the avoidance of doubt, any payments made by the Purchaser and/or a Purchaser's Nominee to the Seller under or in connection with the SPA, including, in particular, any payments with regard to (a portion of) the Purchase Price and any additional consideration pursuant to § 4(2)d) of the SPA, shall have debt-discharging effect and the Purchaser and the Purchaser's Nominees shall be released from their respective payment obligations in an amount equal to the payment made to the Seller on behalf of the Purchaser and/or the relevant Purchaser's Nominee.

4 Continuing responsibility of the Purchaser

The Purchaser continues to be fully responsible and liable *vis-à-vis* the Seller together with the Purchaser's Nominees in accordance with the terms of the SPA and the Purchaser continues to exercise any of the Purchaser's Nominees' respective rights and obligations under the SPA on a trust basis so as to ensure that the Purchaser continues to be the sole contractual point of contact of the Seller under the SPA in as much as practically possible and legally permissible (*inter alia*, in respect of giving and receiving notices, exercising rights etc.).

5 Miscellaneous

5.1 Unless explicitly provided otherwise in this Agreement, all provisions of the SPA shall continue to apply unchanged.

5.2 Capitalized terms used in this Agreement shall have the meaning ascribed to them in the SPA unless defined otherwise in this Agreement and shall be construed and interpreted as set forth in the SPA.

5.3 Clauses 18 (*Costs and Taxes*), 19 (*Notices*) and 20 (*Miscellaneous*) of the SPA shall apply to this Agreement *mutatis mutandis*.

This Agreement was executed under a notary pursuant to German law by the following persons:

/s/ Wolfgang Sturm
Mr. Wolfgang Sturm
Linklaters LLP
on behalf of **Deere & Company,**
John Deere GmbH & Co. KG,
John Deere Construction & Forestry Company,
John Deere Asia (Singapore) Private Limited,
John Deere Holding S.à r.L.,
John Deere India Private Limited,
John Deere-Lanz Verwaltungs-GmbH,
John Deere Proprietary Limited,
WMT GmbH, and
John Deere Technologies S.C.S.

/s/ Tim Johannsen-Roth
Mr. Tim Johannsen-Roth
Linklaters LLP
on behalf of **Deere & Company,**
John Deere GmbH & Co. KG,
John Deere Construction & Forestry Company,
John Deere Asia (Singapore) Private Limited,
John Deere Holding S.à r.L.,
John Deere India Private Limited,
John Deere-Lanz Verwaltungs-GmbH,
John Deere Proprietary Limited,
WMT GmbH, and
John Deere Technologies S.C.S.

/s/ Mark Wolters
Mr. Mark Wolters
on behalf of **WIRTGEN GROUP Holding GmbH**

Confirmed and approved by:

/s/ Matthias Rogall
Prof. Dr. Matthias Rogall
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

/s/ Jens Eggenberger
Dr. Jens Eggenberger
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

Exhibit 2.3

First Amendment

to the Share and Asset Sale and Purchase Agreement

- hereinafter referred to as the "**First Amendment**" -

between

1 **WIRTGEN GROUP Holding GmbH**,

with its registered seat in Windhagen, Germany, business address Reinhard-Wirtgen-Straße 2, 53578 Windhagen, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under registration number HRB 10492

- hereinafter referred to as the "**Seller**" -

and

2 **Deere & Company**,

a corporation organized and existing under the laws of the State of Delaware, USA, with business address One John Deere Place, Moline, Illinois 61265, USA, registered with the Secretary of State of the State of Delaware under registration number 522909

- hereinafter referred to as the "**Purchaser**" -

- the Seller and the Purchaser hereinafter collectively referred to as the "**Parties**" -

Recitals

(A) On 31 May 2017, the Seller and the Purchaser entered into a certain Share and Asset Sale and Purchase Agreement (Roll of Deeds No. 881 for 2017 K of the notary Dr. Marcus Kämpfer, Düsseldorf; hereinafter referred to as the "**SPA**"), whereby the Seller has agreed to sell and transfer substantially the entire business operations including all assets pertaining to the Wirtgen Business (as defined in the SPA) to the Purchaser.

(B) In addition to the shares in Wirtgen Hong Kong Ltd., registered with the Register of Companies, Hong Kong Special Administrative Region, under registration no. 0273723 ("**Wirtgen HK**"), held by the Seller on the Signing Date, the Seller has acquired prior to the consummation of the SPA on the basis of the termination of certain trust agreements and declarations of trust both the full legal and beneficial interest in one share in Wirtgen HK with a nominal value of HKD 1 (the "**HK Share**") previously held by ERSEG GmbH, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Montabaur under no. HRB 13917, with its business address at Reinhard-Wirtgen-Straße 2, 53578 Windhagen, Germany. As the Seller shall transfer substantially the entire Wirtgen Business (as defined and with the exceptions set forth in the SPA) to the Purchaser, the Parties wish to amend the SPA with a view to also include the HK Share and transfer such share on the Closing Date. The Parties further wish to record their mutual understanding

regarding the entering into and the scope of a local SPA on the transfer of the shares in Wirtgen HK.

(C) With a view to the one share held by the Seller in Wirtgen (Thailand) Co., Ltd., a company incorporated under the laws of Thailand, registered under No. 0115540004433, the Parties wish to formally confirm their mutual understanding that such share falls within the ambit of the SPA and will therefore be transferred to the Purchaser or one of the Purchaser's Nominees in accordance with the terms of the SPA on the Closing Date.

(D) Pursuant to § 4(2)d) of the SPA, a compensation shall be paid by the Purchaser to the Seller for the earnings of the Wirtgen Business. The earnings of certain entities in the Wirtgen Group developed or are expected to develop differently than originally anticipated at the time of the SPA: The Parties agree that Wirtgen India Private Limited ("**Wirtgen India**") has demonstrated significant growth in both revenue and profitability in 2017 and forecasts indicate this improved performance will continue. In addition, Wirtgen Road Technologies GmbH ("**WRT**") has experienced exceptional growth in 2017 EBIT. Against this background and in order to reflect the earnings or expected earnings of Wirtgen India and WRT, the Parties wish to substantiate the allocation of the additional compensation and attribute the additional compensation pursuant to § 4(2)d) of the SPA to these two companies. Moreover, the Parties wish to clarify the method as to how this additional compensation pursuant to § 4(2)d) of the SPA shall be calculated.

(E) The Parties wish to clarify and amend certain provisions relating to the Excluded Assets and the Retained assets as defined in the SPA.

(F) Furthermore, the Parties wish to clarify, substantiate and amend the provisions regarding Withholding Taxes pursuant to § 4(3) of the SPA and Chinese Tax Filing Requirements pursuant to § 4(4) of the SPA.

(G) The Parties also wish to record that Messrs. Jürgen and Stefan Wirtgen will also resign from their respective offices currently held within (i) WIG Verwaltung GmbH, a company incorporated under Austrian laws, registered with the company register (*Firmenbuch*) at the regional court (*Landgericht*) of Wels under FN 315069 m, (ii) Wirtgen Österreich GmbH, a company incorporated under Austrian laws, registered with the company register (Firmenbuch) of the regional court (Landgericht) of Wels under FN 218183 h, and (iii) Wirtgen Denmark A/S, a company under the laws of Denmark, registered with the Central Business Register (CVR) under CVR number 81667217, with effect as of Closing by issuing and providing resignation letters to this effect.

(H) Finally, the Parties would like to confirm and record their mutual understanding regarding (i) the non-utilization of the Hold-Back Account with regard to the transfer of the shares in Ciber Equipamentos Rodoviários Ltda., (ii) the non-requirement of a bank guarantee for the Seller Security according to § 8(2)f) in conjunction with § 5(b) of the SPA and (iii) the jointly agreed Closing Date.

Now, therefore, the Parties agree as follows:

1 Item no. 10 of Annex 2.1.c of the SPA (Foreign Companies and Foreign Shares) shall be amended and a new item no. 19 shall be added to such Annex as follows:

10. Wirtgen Hong Kong Ltd. (Hong Kong – internal company number 062)

Wirtgen Hong Kong Ltd. ("Limited") is a limited liability company under the laws of Hong Kong with its registered seat in Hong Kong, Hong Kong Special Administrative Region of the People's Republic of China, registered with the Register of Companies, Hong Kong Special Administra-

tive Region, under registration number 0273723. The registered share capital of Wirtgen Hong Kong Ltd. amounts to HKD 132,228,000.00 and is divided into 132,228,000 shares with a nominal value of HKD 1.00 each which are held by the Seller.

...

19. Wirtgen (Thailand) Co., Ltd. (Thailand – internal company number 076)

Wirtgen (Thailand) Co., Ltd. ("Limited Company") is a limited liability company under the laws of Thailand with its registered seat in Samutprakam, Thailand, registered with the Ministry of Commerce under Registration Number 0115540004433. The registered share capital of Wirtgen Machinery (Thailand) Co. Ltd. amounts to THB 176,000,000.00 and is divided into 1,760,000 shares with a nominal value of THB 100.00 each. 1,759,998 of the shares are held by Wirtgen Singapore Pte. Ltd. (Singapore – internal company number 065), 1 share is held by ERSEG GmbH (Germany – internal company number 040) and 1 share is held by the Seller.

2 The following sentence shall be inserted as a new second sentence in § 2(2)a) of the SPA:

"Wirtgen (Thailand) Co., Ltd. shall only be included in the definition of "Company" as used in (i) Recital (C) sentence 1, (ii) § 2(1)e), § 2(2)b), § 3 (3)b), (iii) § 9(2)b)cc), sentence 2, (iv) § 9(2)d)bb), first, second and third dash bullet, (v) § 14(2)a) and (vi) § 14(3)a) sentence 2 of the SPA (and in each case of (i) through (vi) only with respect to the share in Wirtgen (Thailand) Co., Ltd. directly held by the Seller); in relation to all other provisions of the SPA, Wirtgen (Thailand) Co., Ltd shall not be included in the definitions of "Company" or "Companies" but rather in the definitions of "Subsidiary" and "Subsidiaries".

3 The following sentence shall be inserted as a new second sentence in § 2(2)b) of the SPA:

"For the avoidance of doubt, the share in Wirtgen (Thailand) Co., Ltd. directly held by the Seller shall be included in the definition of "Foreign Shares", "Share" or "Shares", as the case may be, but shall not be included in the definition of "Subsidiary Shares"."

4 § 2(5)f) of the SPA shall be replaced in its entirety with the following new § 2(5)f):

"a cash amount of EUR 2,513,343.75 required to fund the Tax liability of the Seller existing as of the Closing Date and for which in the Consolidated Financial Statements a Tax accrual was established less (i) an amount of EUR 131,566.93 corresponding to the total of (a) the specific values allocated to certain Retained Assets (as defined below) as set out in Annex 2.5 and (b) the respective book values of all other Retained Assets to which no specific values have been allocated in Annex 2.5, and (ii) an amount of EUR 7.00."

5 For the avoidance of doubt, the list of Excluded Assets contained in § 2(5) sentence 1 of the SPA shall be supplemented by the new item "g)" which shall read as follows:

"With respect to each of the banks/master account numbers of the Seller listed in **Annex 2.5.g** attached hereto, all bank accounts (in particular those listed in Annex 2.5.g, sub-accounts, securities accounts as well as contractual relations relating thereto and balances/securities credited to such (sub-) accounts/securities accounts, with the exception of any monies pertaining to, or otherwise deriving from, the Wirtgen Business (solely for the avoidance of doubt: other than the total amount as calculated under § 2(5)f) above).

The Seller hereby warrants to the Purchaser that no monies and/or securities whatsoever pertaining to, or otherwise deriving from, the Wirtgen Business have been credited, and/or will be credited until Closing, to any of the accounts listed in Annex 2.5.g. This warranty shall not extend to and not comprise the total amount as calculated under § 2(5)f) above. For the avoidance of doubt, any breach of the Seller's undertaking pursuant to the preceding sentence shall be deemed to constitute (non-permitted) Leakage within the meaning of § 9(2)d)bb) of the SPA."

6 Annex 2.5 of the SPA (Retained Assets) shall be replaced by a new Annex 2.5, as attached hereto, and any such assets and/or contracts listed therein shall constitute Retained Assets within the meaning of § 2(5) of the SPA (as amended). The final sentence of § 2(5) shall be reworded and replaced by the following sentence:

"Prior to Closing, the Seller has elected to retain the assets and to assume the contracts listed in **Annex 2.5** hereto (any such retained asset/assumed contract being a "**Retained Asset**")."

7 The following shall be added as **"§ 4(3a) Indian Withholding Tax**" to the SPA:

"**(3a) Indian Withholding Tax**

With regards to Indian Withholding Tax the Parties agree as follows:

a) Local SPA(s) ("**Indian SPA**") shall be concluded with respect to the purchase and sale of shares in Wirtgen India Private Limited which shall show as "consideration for the purchase of" shares in Wirtgen India Private Limited a total amount of Indian Rupee 4,357,076,076 (based on an exchange rate of 76.38 INR/EUR equivalent to an amount of approximately EUR 59.4 million) (this amount hereinafter the "**Indian WHT Value**"). For the avoidance of doubt, the Seller and the Purchaser shall be entitled to provide any document or information that has to be provided to any Tax Authority as well as any regulatory authority under mandatory law.

b) The Purchaser will indemnify and hold the Seller harmless from 50% of any Withholding Tax imposed by the Indian Tax Authorities ("**Indian WHT**") to the extent that the Withholding Tax is based on the amount of the Indian WHT Value. For the avoidance of doubt, the Indian WHT pursuant to the first sentence shall also include any Indian WHT (including interest and penalties) that may be imposed due to a deviating assessment of Indian WHT by the Indian Tax Authorities based on the Indian WHT Value (for example caused by the using of a different exchange rate Indian Rupee/EUR regarding the acquisition costs of the Seller). The Purchaser will further indemnify and hold the Seller harmless from any additional Indian WHT imposed since – in order to determine the relevant tax assessment base for the Indian WHT – the Indian WHT Value has to be increased by the amounts paid by the Purchaser under sentence 1 and this sentence 3 of this § 4(3a)b) (this increased amount the "**Indian WHT Base**").

c) The Indian WHT calculated on the Indian WHT Base will be paid by the Purchaser directly to the Indian Tax Authorities. The Parties currently estimate the Indian WHT calculated on the Indian WHT Base to be an amount of approximately EUR 13.825 million which, however, depends on the exchange rate Indian Rupee/EUR. Based on this current estimate and due to the indemnity set forth in § 4(3a) b) above, the portion to be borne by the Seller is estimated to be an amount of approximately EUR 5.25

million and the portion to be borne by the Purchaser is estimated to be an amount of approximately EUR 8.575 million.

d) The Purchaser will withhold from the payment to be made to the Seller a preliminary amount for the Indian WHT calculated on the Indian WHT Base which shall be determined by the Parties acting in good faith on 28 November 2017 (based – for illustration purposes - on the current estimate approximately EUR 13.825 million).

e) The Purchaser will pay to the Seller on the Closing Date an amount equal to the portion of the Indian WHT as determined pursuant to § 4 (3a)d) which has to be borne by the Purchaser pursuant to § 4(3a)b) (based – for illustration purposes - on the current estimate approximately EUR 8.575 million). The final amount to be borne by the Purchaser pursuant to § 4(3a)b) will be mutually calculated by the Parties acting in good faith within two weeks after a final assessment has been made by the Indian Tax Authorities with respect to the Indian WHT based on the Indian WHT Base; the balance, if any, between such final amount and the preliminary amount will be paid within a further two weeks by the relevant Party (in case the preliminary amount is higher than the final amount the payment has to be made by Purchaser and in case the preliminary amount is lower than the final amount the payment has to be made by the Seller) to the other Party.

f) If and to the extent any Indian WHT is imposed on a value above the Indian WHT Base (for the avoidance of doubt, § 4(3a)b) remains unaffected), such additional Indian WHT as well as penalties, interest and other reasonable external costs relating to the additional Indian WHT shall be borne by the Seller. Indian WHT penalties, interests and other reasonable external costs and, for the avoidance of doubt, any interest and penalties in connection with such Indian WHT shall qualify as reasonable external costs within the meaning of § 4(3)b) sentence 1 above, subject to the limitations stipulated in § 4(3)b) sentence 1 second half-sentence. The Parties agree that § 4(3)a) sentence 2 shall not apply as regards the envisaged assignment and nomination as well as the envisaged accession to this Agreement of John Deere India Private Limited and John Deere Asia (Singapore) Private Limited. For the avoidance of doubt, § 4(3)b) sentence 2 remains unaffected.

g) Both Parties will cooperate in good faith in relation to the handling of all Tax Returns relating to Indian WHT at their own costs. The Tax Return relating to the Indian WHT will be prepared by the Seller (on Seller's costs) and reviewed by the Purchaser (on Purchaser's costs) and submitted to the Indian Tax Authorities by the Purchaser. The Parties agree that the Tax Returns relating to the Indian WHT shall be based on the Indian WHT Base.

8 The following shall be added as "**§ 4(3b) Indian SPA**" to the SPA:

"**(3b) Indian SPA**

The Parties agree with respect to the Indian SPA that this shall neither directly nor indirectly result in any liability and/or obligation whatsoever of a Party against another Party or such Party's managing directors or employees in addition or beyond to what has been agreed in the Agreement."

9 Against the background set forth in Recital (D) above, the following shall be added as new sentences 2 to 5 in § 4(2)d) of the SPA:

“The additional consideration, which shall be calculated on the basis of 365 days and shall not take the Signing Date into account, amounts in the case of a Closing on December 1, 2017 to EUR 109.820.273,97. The Parties agree that due to developments after the Signing Date, the additional consideration shall be allocated to Wirtgen India Private Limited in the amount of EUR 36,288,000.00 and to Wirtgen Road Technologies GmbH in the amount of EUR 73,532,273.97. § 4(1)b) sentences 2 through 4 shall apply *mutatis mutandis* to this allocation of the additional consideration under this § 4(2)d).”

10 The following shall be added as new sentences 2 to 5 in § 4(4)d) of the SPA:

“If and to the extent Chinese Taxes are caused solely by an assumed allocation of additional consideration pursuant to § 4(2)d) by the Chinese Tax Authorities deviating from the allocation as set forth in § 4(2)d), the Purchaser shall indemnify and hold the Seller harmless from such Chinese Taxes (together with reasonable external costs, subject to the limitations stipulated in § 4(3)b) sentence 1 second half-sentence) which exceed the amount of Chinese Taxes which would have been imposed if the additional consideration pursuant to § 4(2)d) had been allocated *pro rata* based on the Purchase Price attributed in the Purchase Price Allocation. For the avoidance of doubt, sentence 1 shall apply if the Chinese Taxes are increased for any reason other than a deviating allocation of the additional consideration pursuant to § 4(2)d) (including, but not limited to any deviation from the Purchase Price Allocation). For the avoidance of doubt, if Chinese Taxes are imposed not only due to a different allocation of the additional consideration pursuant to § 4(2)d) by the Chinese Tax Authorities, the Purchaser shall bear in accordance with sentence 2 the Chinese Taxes caused by the different allocation of the additional consideration pursuant to § 4(2)d), whereas the Seller shall bear in accordance sentence 1 and 3 the Chinese Taxes caused by all other reasons (including a deviation from the Purchase Price Allocation). Sentence 1 shall not apply with respect to any amount which has to be indemnified by the Purchaser pursuant to sentences 2 and 4. The Parties will use reasonable efforts to receive a reasoning for any Chinese Taxes assessed by the Chinese Tax Authorities which deviate from the Chinese Taxes expected to be imposed by the Chinese Tax Authorities on the basis of the Purchase Price Allocation.”

11 Annex 8.2.g-1 of the SPA (Appointments) shall be amended and three new rows with the following content shall be added at the bottom of the table:

087	Wirtgen Österreich GmbH	Dr. Linsinger-Straße 5, 4662 Steyrermühl, Austria	n/a	Josef Fessl Jürgen Wirtgen Stefan Wirtgen
130	WIG Verwaltung GmbH	Dr. Linsinger-Straße 5, 4662 Steyrermühl, Austria	n/a	Jürgen Wirtgen Stefan Wirtgen
100	Wirtgen Denmark A/S	Taulov Kirkevej 28, 7000 Fredericia, Denmark	n/a	Stefan Wirtgen Jürgen Wirtgen Jens-Ove Mortensen

The following row of the table shall be deleted:

028	Wirtgen Grund und Boden GmbH	Reinhard-Wirtgen- Str. 2, 53578 Windhagen, Deutschland	n/a	Jürgen Wirtgen Stefan Wirtgen

12 Hold-Back Account

The Purchaser agrees and undertakes not to utilize the Hold-Back Account with regard to the portion of the Purchase Price as currently allocated in Annex 4.1.b-1 of the SPA to the shares in Ciber Equipamentos Rodoviários Ltda., provided, however, that as of the Closing Date at the latest the Seller on its part has taken all actions as agreed upon as being required to effect the transfer of the relevant Shares.

13 Seller Security

The Parties agree that the Purchaser shall not be required, and the Purchaser is hereby released from its obligation, to provide a bank guarantee in accordance with § 8(2)f) in conjunction with § 5(b) of the SPA for Seller Security, irrespective of any Seller Security in relation to which the Purchaser has not provided a written confirmation that such Seller Security has been replaced by the Closing Date (if any).

14 Local SPA for Hong Kong

The Parties intend to enter into a separate local SPA regarding the transfer of the shares in Wirtgen Hong Kong Ltd. from the Seller to the Purchaser ("**HK SPA**"). The Parties agree with respect to the HK SPA that this shall neither directly nor indirectly result in any liability and/or obligation whatsoever of a Party against another Party or such Party's managing directors or employees in addition or beyond to what has been agreed in the Agreement."

15 Closing Date

In accordance with § 1(1)b) of the SPA the Closing Date shall be December 1, 2017 at 8:00 a.m. CET, provided, however, that all Closing Conditions set forth in § 7(1) of the SPA have been fulfilled or waived by the Parties and that the Seller and the Purchaser have not mutually agreed upon any other day and time.

16 Miscellaneous

16.1 Unless explicitly provided otherwise in this First Amendment, all provisions of the SPA shall continue to apply unchanged.

16.2 Capitalized terms used in this First Amendment shall have the meaning ascribed to them in the SPA unless defined otherwise in this First Amendment and shall be construed and interpreted as set forth in the SPA.

16.3 Clauses 18 (*Costs and Taxes*), 19 (*Notices*) and 20 (*Miscellaneous*) of the SPA shall apply to this First Amendment *mutatis mutandis*.

This Agreement was executed under a notary pursuant to German law by the following persons:

/s/ Wolfgang Sturm
Mr. Wolfgang Sturm
Linklaters LLP
on behalf of **Deere & Company**

/s/ Tim Johannsen-Roth
Mr. Tim Johannsen-Roth
Linklaters LLP
on behalf of **Deere & Company**

/s/ Mark Wolters
Mr. Mark Wolters
on behalf of **WIRTGEN GROUP Holding GmbH**

Confirmed and approved by:

/s/ Matthias Rogall
Prof. Dr. Matthias Rogall
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

/s/ Jens Eggenberger
Dr. Jens Eggenberger
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

Exhibit 2.4

Second Amendment

to the Share and Asset Sale and Purchase Agreement

- hereinafter referred to as the "**Second Amendment**" -

between

1 **WIRTGEN GROUP Holding GmbH**,

with its registered seat in Windhagen, Germany, business address Reinhard-Wirtgen-Straße 2, 53578 Windhagen, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under registration number HRB 10492

- hereinafter referred to as the "**Seller**" -

2 **Deere & Company**,

a corporation organized and existing under the laws of the State of Delaware, USA, with business address One John Deere Place, Moline, Illinois 61265, USA, registered with the Secretary of State of the State of Delaware under registration number 522909

- hereinafter referred to as the "**Purchaser**" -

3 **John Deere GmbH & Co. KG**,

with its registered seat in Mannheim, Germany, with business address John-Deere-Str. 70, 68163 Mannheim, Germany, registered with the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Mannheim under registration number HRA 704371

4 **John Deere Construction & Forestry Company**,

a corporation organized and existing under the laws of the State of Delaware, USA, with business address 1515 5th Ave #200, Moline, Illinois 61265, USA, registered with the Secretary of State of the State of Delaware under registration number 716911

5 **John Deere Asia (Singapore) Private Limited**,

a corporation organized and existing under the laws of Singapore, with business address 438 Alexandra Road, #12-01/04, Alexandra Point, Singapore (11995), registered with the accounting and corporate regulatory authority (ACRA) under registration number 200610270R

6 **John Deere Holding S.à r.l.**,

a corporation organized and existing under the laws of Luxembourg, with business address 43 avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, registered with the commercial and corporate register (*Registre de Commerce et des Sociétés*) of Luxembourg under registration number B164515

7 **John Deere India Private Limited**,

a corporation organized and existing under the laws of India, with business address Tower XIV, Cybercity, Magarpatta City, Hadapsar, Pune – 411013, Maharashtra, India, registered under the Companies Act 2013 with the company identification number (*CIN*) U74220PN1997PTC112441 and registration number 112441

8 **John Deere-Lanz Verwaltungs-GmbH**,

with its registered seat in Mannheim, Germany, business address John-Deere-Straße 70, 68163 Mannheim, Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Mannheim under registration number HRB 728530

9 **John Deere Proprietary Limited**,

a corporation organized and existing under the laws of South Africa, with business address Hughes Extension 47, Stand 303 Oscar Street, Boksburg, South Africa, registered in the Republic of South Africa under registration number 1950/037595/07

10 **WMT GmbH**,

with its registered seat in Windhagen, Germany, with business address Reinhard-Wirtgen-Str. 2, 53578 Windhagen, Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Montabaur under registration number HRB 25719

11 **John Deere Technologies S.C.S.**,

a limited partnership organized and existing under the laws of Luxembourg, with business address 7 rue Robert Stümper, 2557 Luxembourg, Grand Duchy of Luxembourg, registered with the commercial and corporate register (*Registre de Commerce et des Sociétés*) of Luxembourg under registration number B218141

- the parties according to nos. 3 through 11 hereinafter collectively referred to as the "**Purchaser's Nominees**" and together with the Seller and the Purchaser collectively the "**Parties**" -

Recitals

(A) On 31 May 2017, the Seller and the Purchaser have entered into a certain Share and Asset Sale and Purchase Agreement (Roll of Deeds No. 881 for 2017 K of the notary Dr. Marcus Kämpfer, Düsseldorf, with reference to the reference deed thereto – Roll of Deeds No. 880 for 2017 K of the notary Dr. Marcus Kämpfer, Düsseldorf) as amended by the First Amendment and the Accession Agreement to such Share and Asset Sale and Purchase Agreement on 24 November 2017 (Roll of Deeds No. 1866 for 2017 K of the notary Dr. Marcus Kämpfer, Düsseldorf), hereinafter referred to as the "**SPA**", whereby the Seller has agreed to sell and transfer the entire business operations including all assets pertaining to the Wirtgen Business (as defined in the SPA) to the Purchaser and/or the Purchaser's Nominees, as the case may be.

(B) According to § 5c) of the SPA, the Seller shall update Annex 5 to the SPA with respect to any Seller Security which has been issued after the Signing Date pursuant to and in accordance with the terms of the first paragraph of § 5 of the SPA and deliver such updated Annex to the Purchaser ten (10) Business Days prior to the Closing Date, which shall then be deemed to be the conclusive list of Seller Security for purposes of the SPA.

(C) In relation to the Seller's Warranties set forth in § 9(2)i)aa), § 9(2)i)bb), § 9(2)i)ee), § 9(2)i)ff), § 9(2)i)gg), § 9(2)j)aa), § 9(2)j)bb), § 9(2)j)dd) and § 9(2)p) of the SPA, and, also in relation to the Environmental Warranty in § 12(2)b) of the SPA (collectively the "**Trued-up Warranties**"), which are all given or deemed to be given (also) as of the Closing Date, the Seller shall be entitled to provide to the Purchaser in the period from the Signing Date until ten (10) Business Days prior to the Closing Date updated information in relation to the relevant Annexes pertaining to the respective Trued-up Warranties in the format of a written update of the relevant annexes (the "**Trued-up Annexes**") (collectively the "**Closing True-up**").

(D) The Seller has provided updates to the annexes set forth in Preamble (B) and (C) above on 16 and 18 October 2017 as well as on 15 November 2017 to the Purchaser.

(E) By way of this Second Amendment the Parties wish to update Annex 5 to the SPA and to record the Closing True-up in accordance with Recital (C) above.

Now, therefore, the Parties agree as follows:

1 Update of Seller Security

Annex 5 to the SPA (Seller Security) shall be finally updated and be deemed to be the final and conclusive list of Seller Security for purposes of the SPA as attached hereto as **Annex 5**.

2 Closing True-up

2.1 Annex 9.2.i.aa-1 to the SPA (Owned Real Estate) and Annex 9.2.i.aa-2 to the SPA (Disclosure of commitments in relation to Owned Real Estate) shall be finally updated as attached hereto as **Annex 9.2.i.aa-1 and -2**.

2.2 Annex 9.2.i.bb-1 to the SPA (Charges on Owned Real Estate) and Annex 9.2.i.bb-2 to the SPA (Agreed granting of charges) shall be finally updated as attached hereto as **Annex 9.2.i.bb-1 and -2** .

2.3 Annex 9.2.i.ee to the SPA (List of Leased Real Estate) shall be finally updated as attached hereto as **Annex 9.2.i.ee**.

2.4 Annex 9.2.i.ff to the SPA (List of let real estate) shall be finally updated as attached hereto as **Annex 9.2.i.ff**.

2.5 Annex 9.2.i.gg to the SPA (Disclosure of exceptions to building permits) shall be finally updated as attached hereto as **Annex 9.2.i.gg**.

2.6 Annex 9.2.j.aa to the SPA (List of Registered IP-Rights) shall be finally updated as attached hereto as **Annex 9.2.j.aa**.

2.7 Annex 9.2.j.bb to the SPA (Disclosure of restrictions of Registered IP-Rights) shall be finally updated as attached hereto as **Annex 9.2.j.bb**.

2.8 Annex 9.2.j.dd to the SPA (Existence of Registered IP-Rights) shall be finally updated as attached hereto as **Annex 9.2.j.dd**.

2.9 Annex 9.2.p to the SPA (Litigation) shall be finally updated as attached hereto as **Annex 9.2.p**.

2.10 The second sentence of Clause 12(2)b) of the SPA shall be replaced in its entirety by the following new sentence:

"Except as listed in **Annex 12.2.b**, the Owned Real Estate is free of any material Contamination as of the Closing Date."

3 Miscellaneous

3.1 Unless explicitly provided otherwise in this Second Amendment, all provisions of the SPA shall continue to apply unchanged.

3.2 Capitalized terms used in this Second Amendment shall have the meaning ascribed to them in the SPA unless defined otherwise in this Second Amendment and shall be construed and interpreted as set forth in the SPA.

3.3 Clauses 18 (*Costs and Taxes*), 19 (*Notices*) and 20 (*Miscellaneous*) of the SPA shall apply to this Second Amendment *mutatis mutandis*.

This Agreement was executed under a notary pursuant to German law by the following persons:

/s/ Matthias Rogall
Prof. Dr. Matthias Rogall
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

/s/ Jens Eggenberger
Dr. Jens Eggenberger
Flick Gocke Shaumburg Partnerschaft mbB
on behalf of **WIRTGEN GROUP Holding GmbH**

/s/ Wolfgang Sturm
Mr. Wolfgang Sturm
Linklaters LLP
on behalf of **Deere & Company,**
John Deere GmbH & Co. KG,
John Deere Construction & Forestry Company,
John Deere Asia (Singapore) Private Limited,
John Deere Holding S.à r.L.,
John Deere India Private Limited,
John Deere-Lanz Verwaltungs-GmbH,
John Deere Proprietary Limited,
WMT GmbH, and
John Deere Technologies S.C.S.

/s/ Tim Johannsen-Roth
Mr. Tim Johannsen-Roth
Linklaters LLP
on behalf of **Deere & Company,**
John Deere GmbH & Co. KG,
John Deere Construction & Forestry Company,
John Deere Asia (Singapore) Private Limited,
John Deere Holding S.à r.L.,
John Deere India Private Limited,
John Deere-Lanz Verwaltungs-GmbH,
John Deere Proprietary Limited,
WMT GmbH, and
John Deere Technologies S.C.S.

Exhibit 4.3

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

(a) *Programme*

Deere & Company ("**Deere**"), John Deere Capital Corporation ("**Deere Capital**"), John Deere Bank S.A. ("**Deere Luxembourg**") and John Deere Cash Management S.A. ("**Deere Cash Management**") (each an "**Issuer**", and, collectively the "**Issuers**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$3,000,000,000 in aggregate principal amount of notes outstanding at any time (the "**Notes**"). Notes issued by Deere Cash Management are guaranteed by Deere (a "**Guarantor**") and Notes issued by Deere Luxembourg are guaranteed by Deere Capital (a "**Guarantor**" and together with Deere, the "**Guarantors**").

In these Conditions, references to "**Issuer**" are to Deere, Deere Capital, Deere Luxembourg or Deere Cash Management, as the case may be, as the Issuer of the Notes under the Programme and references to the "**relevant Issuer**" shall be construed accordingly. In these Conditions, references to "**Guarantor**" are to Deere or Deere Capital as Guarantor, in the case of Deere, of Notes to be issued by Deere Cash Management and, in the case of Deere Capital, of Notes to be issued by Deere Luxembourg and references to the "**relevant Guarantor**" shall be construed accordingly.

(b) *Final Terms*

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. The applicable Final Terms will specify whether the Issuer is Deere, Deere Capital, Deere Luxembourg or Deere Cash Management. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*

The Notes are the subject of an amended and restated issue and paying agency agreement dated 2 February 2015 (the "**Agency Agreement**") between the Issuers, the Guarantors, The Bank of New York Mellon, London Branch (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), The Bank of New York Mellon (Luxembourg) S.A. as registrar (the "**Registrar**") which expression includes any successor registrar appointed from time to time in connection with the Notes, the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to "**Agent**" is to any one of them.

(d) *Deeds of Guarantee*

Notes issued by Deere Cash Management are the subject of a deed of guarantee dated 2 February 2015 (the "**Deere Deed of Guarantee**") entered into by Deere. Notes issued by Deere Luxembourg are the subject of a deed of guarantee dated 2 February 2015 (the "**JDCC Deed of Guarantee**" together with the Deere Deed of Guarantee, the "**Deeds of Guarantee**" and each a "**Deed of Guarantee**") entered into by Deere Capital.

(e) ***Deed of Covenant***

The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). The Notes have the benefit of a Deed of Covenant dated 2 February 2015 ("the **Deed of Covenant**"). The Registered Notes are constituted by the Deed of Covenant entered into by the relevant Issuer.

(f) ***The Notes***

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

(g) ***Summaries***

Certain provisions of these Conditions are summaries of the Agency Agreement, the Deeds of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deeds of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deeds of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) ***Definitions***

In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Attributable Debt**" shall mean, as of any particular time, the present value, discounted at a rate per annum equal to the weighted average interest rate of all Notes denominated in euro outstanding at the time under the Programme, compounded semi-annually, of the obligation of a lessee for rental payments during the remaining term of any lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended); the net amount of rent required to be paid for any such period shall be the total amount of the rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges; and, in the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated;

“**BBSW**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Bank Bill Swap reference rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Australian Financial Markets Association (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic BBSW rates can be obtained from the designated distributor);

“**Business Day**” means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(ii) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong and in each (if any) Additional Business Centre; and

(iii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Central Bank**" means the Central Bank of Ireland, competent authority for the purposes of the Prospectus Directive;

"**CNY**" means Renminbi Yuan, the lawful currency of the PRC;

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"**Consolidated Net Worth**" shall mean the aggregate of capital and surplus of Deere and its consolidated Subsidiaries, less minority interests in Subsidiaries, determined in accordance with accounting principles generally accepted in the United States of America ("**GAAP**");

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means (subject as provided in Condition 6 (*Fixed Rate Note Provisions*)), in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period) (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

(iv) if "**Actual/360**" is specified, means the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $$\frac{[360X(Y_2 - Y_1)] + [30X(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $$\frac{[360X(Y_2 - Y_1)] + [30X(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $$\frac{[360X(Y_2 - Y_1)] + [30X(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D2 will be 30.

provided*, *however*, *that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Excluded Sale and Lease-back Transaction**" means (A) a Sale and Lease-back Transaction which, if the Attributable Debt in respect of such Sale and Lease-back Transaction had been a Security Interest, would have been permitted by paragraph (i) of the definition of Permitted Security Interest and (B) other Sale and Lease-back Transactions where the net proceeds of such sale are at least equal to the fair value (as determined by the Board of Directors of Deere) of the property and (i) Deere, within 120 days of the effective date of any such arrangement, applies an amount equal to the fair value (as so determined) of such property to any Notes redeemed prior to their Maturity Date or the purchase and retirement of Notes or to the payment or other retirement of funded debt for money borrowed, incurred or assumed by Deere which ranks senior to or *pari passu* with the Notes or of funded debt for money borrowed, incurred or assumed by any Material Subsidiary (other than, in either case, funded debt owned by Deere or any Material Subsidiary), or (ii) Deere shall, at or prior to the time of entering into the Sale and Lease-back Transaction, enter into a *bona fide* commitment or commitments to expend for the acquisition or improvement of any Important Property an amount at least equal to the fair value (as so determined) of such property. For this purpose, funded debt means any Debt (as defined in Condition 5(a)) which by its terms matures at or is extendable or renewable at the sole option of the obligor without requiring the consent of the obligee to a date more than twelve months after the date of the creation of such Debt;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“**FATCA**” means (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction that seeks to implement a similar financial account information reporting or withholding tax regime; (c) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between or among Governmental Authorities entered into in order to comply with, facilitate, supplement or implement any matter described in clause (a) through (b) above; and (d) any agreement pursuant to the implementation of any matter described in clause (a) or (c) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness;

“**Guarantee of the Notes**” means either the guarantee of the Notes given by Deere in the Deere Deed of Guarantee or the guarantee of the Notes given by Deere Capital in the JDCC Deed of Guarantee;

“**Holder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Illiquidity**” means where the general Renminbi exchange market in Hong Kong becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two other CNY Dealers;

“**Important Property**” means (a) any manufacturing plant, including land, all buildings and other improvements thereon, and all manufacturing machinery and equipment located therein, used by the Issuer or Deere or a Material Subsidiary primarily for the manufacture of products to be sold by the Issuer or Deere or such Material Subsidiary, (b) the executive office and administrative building of Deere in Moline, Illinois, and (c) research and development facilities, including land and buildings and other improvements thereon and research and development machinery and equipment located therein, in each case, used by the Issuer or Deere or a Material Subsidiary; except in any case property of which the aggregate fair value as determined by the Board of Directors of Deere does not at the time exceed 1 per cent. of Consolidated Net Worth of Deere, as shown on the audited consolidated balance sheet contained in the latest annual report to stockholders of Deere;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(i) amounts raised by acceptance under any acceptance credit facility;

(ii) amounts raised under any note purchase facility;

(iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a

panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

"**Luxembourg**" means the Grand Duchy of Luxembourg;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material Subsidiary**" shall mean any Subsidiary of Deere which is engaged in, or whose principal assets consist of property used by Deere or any Material Subsidiary in, the manufacture of products within the United States of America or Canada, or in the sale of products principally to customers located in the United States of America or Canada, except any corporation which is a retail dealer in which Deere has, directly or indirectly, an investment under an arrangement providing for the liquidation of such investment;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

 (A) a day on which banks in the relevant place of presentation outside the United States and its possessions are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

 (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation outside the United States and its possessions are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Renminbi Notes, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Lien**" means:

(i) any Security Interest created on or over any fixed assets or other physical properties hereafter acquired to secure all or part of the purchase price thereof or the acquiring hereafter of such assets or properties subject to any existing lien or charge securing indebtedness (whether or not assumed);

(ii) easements, liens, franchises or other minor encumbrances on or over any real property which do not materially detract from the value of such property or its use in the business of the Issuer, Deere Capital (as Guarantor) or a Subsidiary of Deere Capital;

(iii) any deposit or pledge of assets (i) with any surety company or clerk of any court, or in escrow, as collateral in connection with, or in lieu of, any bond on appeal from any judgment or decree against the Issuer, Deere Capital (as Guarantor) or a Subsidiary, or in connection with other proceedings or actions at law or in equity by or against the Issuer, Deere Capital (as Guarantor) or a Subsidiary, or (ii) as security for the performance of any contract or undertaking not directly or indirectly related to the borrowing of money or the security of indebtedness, if made in the ordinary course of business, or (iii) with any governmental agency, which deposit or pledge is required or permitted to qualify the Issuer, Deere Capital (as Guarantor) or a Subsidiary to conduct business, to maintain self-insurance, or to obtain the benefits of any law pertaining to workmen's compensation, unemployment insurance, old age pensions, social security, or similar matters, or (iv) made in the ordinary course of business to obtain the release of mechanics', workmen's, repairmen's, warehousemen's or similar liens, or the release of property in the possession of a common carrier;

(iv) any Security Interest by a Subsidiary as security for indebtedness owed to the Issuer or Deere Capital (as Guarantor) or to another Subsidiary;

(v) liens for taxes and governmental charges not yet due or contested by appropriate proceeding in good faith;

(vi) any Security Interest existing on property acquired by the Issuer or Deere Capital (as Guarantor) or a Subsidiary of Deere Capital through the exercise of rights arising out of defaults on receivables acquired in the ordinary course of business;

(vii) judgment liens, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(viii) any pledge or lien (other than directly or indirectly to secure borrowed money) if, after giving effect thereto, the aggregate principal sums secured by pledges or liens otherwise within the above restrictions do not exceed U.S.$500,000; or

(ix) any Security Interest securing Securitisation Indebtedness;

(x) any Security Interest in cash provided to any counterparty of Deere Capital or any of Deere Capital's Subsidiaries in connection with any derivative transaction;

"**Permitted Security Interest**" means:

(i) any Security Interest created on or over any property acquired, constructed or improved by the Issuer, Deere or any Material Subsidiary which is created or assumed contemporaneously with, or within 120 days after, such acquisition, construction or improvement to secure or provide for the payment of all or any part of the purchase price of such property or the cost of such construction or improvement incurred or (in addition to Security Interests contemplated by clauses (ii), (iii) and (iv) below) Security Interests on any property existing at the time of acquisition thereof **provided that** such Security Interest shall not apply to any Important Property theretofore owned by the Issuer, Deere or any Material Subsidiary other than, in the case of any such construction or improvement, any theretofore unimproved real property on which the property so constructed, or the improvement, is located;

(ii) any Security Interest created on or over any property, shares of stock, or indebtedness existing at the time of acquisition thereof from a corporation which is consolidated or amalgamated with or merged into, or substantially all of the assets of which are acquired by, the Issuer, Deere or a Material Subsidiary;

(iii) any Security Interest created on or over any property of a corporation which Security Interest was existing at the time such corporation becomes a Material Subsidiary;

(iv) any Security Interest created on or over any property to secure Debt (as defined in Condition 5(a)) of a Material Subsidiary to the Issuer, Deere or to another Material Subsidiary;

(v) any Security Interest created on or over any property in favour of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such Security Interest and Security Interests given to secure indebtedness incurred in connection with the financing of construction of pollution control facilities, the interest on which indebtedness is exempt from income taxes under the Internal Revenue Code;

(vi) any deposit or pledge of assets (1) with any surety company or clerk of any court, or in escrow, as collateral in connection with, or in lieu of, any bond on appeal from any judgment or decree against the Issuer, Deere or a Subsidiary, or in connection with other proceedings or actions at law or in equity by or against the Issuer, Deere or a Material Subsidiary, or (2) as security for the performance of any contract or undertaking not directly related to the borrowing of money or the securing of indebtedness, if made in the ordinary course of business, or (3) with any governmental agency, which deposit or pledge is required or permitted to qualify the Issuer, Deere or a Material Subsidiary to conduct business, to maintain self-insurance, or to obtain the benefits of any law pertaining to worker's compensation, unemployment insurance, old age pensions, social security, or similar matters, or (4) made in the ordinary course of business to obtain the release of mechanics', workmen's, repairmen's, warehousemen's or similar liens, or the release of property in the possession of a common carrier;

(vii) any Security Interest created on or over any property acquired by the Issuer, Deere or a Material Subsidiary through the exercise of rights arising out of defaults on receivables acquired in the ordinary course of business;

(viii) judgment liens, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(ix) any Security Interest created on and over any property for the sole purpose of extending, renewing or replacing in whole or part, Debt secured by any Security Interest referred to in paragraphs (i) to (viii) above, inclusive or in this paragraph, **provided**, **however**, **that** the principal amount of Debt secured in such extension, renewal or replacement does not

exceed the principal amount of Debt secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement shall be limited to all or a part of the property subject to such Security Interest so extended, renewed or replaced (plus improvements on such property);

(x) liens for taxes or assessments or governmental charges or levies not yet due or delinquent, or which can thereafter be paid without penalty, or which are being contested in good faith by appropriate proceedings; landlord's liens on property held under lease; and any other liens of a nature similar to those hereinabove described in this paragraph (x) which do not, in the opinion of the Issuer and Deere, materially impair the use of such property in the operation of the business of the Issuer, Deere or a Material Subsidiary or the value of such property for the purposes of such business;

(xi) any transaction characterised as a sale of receivables (retail or otherwise) but reflected as secured indebtedness on a balance sheet in conformity with generally accepted accounting principles then in effect;

(xii) any Security Interest created on or over any Margin Stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System of the United States of America) owned by the Issuer, Deere and its Material Subsidiaries to the extent such Margin Stock so secured exceeds 25 per cent. of the fair market value of the sum of the Important Property of the Issuer, Deere and the Material Subsidiaries plus the shares of stock (including Margin Stock) and indebtedness issued or incurred by the Material Subsidiaries; or

(xiii) any Security Interest created on or over any Important Property of, or any shares of stock or indebtedness issued or incurred by, any Material Subsidiary organised under the laws of Canada;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**PRC**" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(ii) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(iii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the relevant Final Terms;

"**Prospectus Directive**" means Directive 2003/71/EC, as amended;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate Calculation Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City;

"**Rate Calculation Date**" means the day which is two Rate Calculation Business Days before the due date for any payment of the relevant amount under these Conditions;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and the relevant Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" means one of the following benchmark rates (as specified in the relevant Final Terms) in respect of the currency and period specified in the relevant Final Terms:

(i) LIBOR;

(ii) EURIBOR;

(iii) SHIBOR; and

(iv) BBSW;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from an Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of such irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms **provided**, **however**, **that** in no event shall any location within the United States or its possessions be a Relevant Financial Centre for the purposes of any payments in respect of any Note;

"**Relevant Jurisdiction**" means the United States where the Issuer or the Guarantor, if applicable, is Deere or Deere Capital, Grand Duchy of Luxembourg where the Issuer is Deere Luxembourg or Deere Cash Management;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Renminbi**" or "**CNY**" means the official currency of the PRC;

"**Renminbi Notes**" means Notes issued in Renminbi;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Sale and Lease-back Transactions**" means any arrangement with any Person providing for the leasing to the Issuer, the Guarantor or any Material Subsidiary of any Important Property owned or hereafter acquired by the Issuer, the Guarantor or such Material Subsidiary (except for temporary leases for a term, including any renewal thereof, of not more than three years and except for leases between the Issuer, the Guarantor and Material Subsidiary or between Material Subsidiaries), which Important Property has been or is to be sold or transferred by the Issuer, the Guarantor or such Material Subsidiary to such Person;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Securitisation Indebtedness**" shall mean the aggregate outstanding indebtedness for borrowed money, owner trust certificates (however classified) or credit enhancements incurred in connection with transactions involving (i) the sale, transfer or other disposition of receivables or leases (retail or wholesale) by Deere Capital or any of its Subsidiaries and (ii) the issuance of commercial paper, medium term notes or any other form of financing by any structured bankruptcy-remote Subsidiary of Deere Capital or any related conduit lender (such transactions, "**Securitisations**"), **provided**, **that** the aggregate outstanding credit enhancements in the form of cash or letter(s) of credit provided by Deere Capital or any of its Subsidiaries (other than any structured bankruptcy-remote Subsidiary) in excess of 10 per cent. of the aggregate outstanding indebtedness for borrowed money and owner trust certificates (however classified) incurred in connection with such Securitisations shall not be deemed for the purposes of the Programme to be Securitisation Indebtedness;

"**SHIBOR**" means, in respect of a Renminbi-denominated issuance and any specified period, the interest rate benchmark known as the Shanghai Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the National Interbank Funding (or any other person which takes over the administration of that rate) based on estimated interbank Renminbi-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic SHIBOR rates can be obtained from the designated distributor);

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms **provided that** Notes will be issued in denominations of at least EUR 100,000 or the equivalent in any other specified currency as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Spot Rate**", for a Rate Calculation Date, means the spot U.S. dollar/Renminbi exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two business days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the most recently available Renminbi/U.S. dollar official fixing rate for settlement in two business days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate, and if a spot rate is not readily available, the Calculation Agent may consult with two CNY Dealers to determine the applicable rate, taking into consideration all available information which the CNY Dealers deem relevant, including price information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the U.S. dollar/CNY exchange rate in the PRC's domestic foreign exchange market;

"**Subsidiary**" means any corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Issuer or by one or more other Subsidiaries of such Issuer. For the purposes of this definition, "**voting stock**" means stock having voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms;

(b) ***Interpretation***

In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Amended and Restated Agency Agreement or either of the Deere Deed of Guarantee or the JDCC Deed of Guarantee shall be construed as a reference to the Amended and Restated Agency Agreement or the Deere Deed of Guarantee or the JDCC Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) ***Bearer Notes***: Notes in bearer form will not be issued under the Programme, unless and until there is a change in U.S. income tax law that permits the issuance of bearer debt without adverse tax consequences to the Issuer or the relevant Guarantor. Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) ***Title to Bearer Notes***: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) ***Registered Notes***: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) ***Title to Registered Notes***: The Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. With respect to Notes issued by Deere Luxembourg or Deere Cash Management, each time the relevant Register is amended or updated, the Registrar shall send a copy of the relevant Register to the relevant Issuer who will keep an updated copy of the Register at its registered office (the "**Duplicate Register**"). In the event of inconsistency between the Register and the Duplicate Register, the Duplicate Register shall, for purposes of Luxembourg law, prevail. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register or the Duplicate Register if different from the Register (with respect to Registered Notes issued by Deere Luxembourg and Deere Cash Management) (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) ***Ownership***: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) ***Transfers of Registered Notes***: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at

the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. With respect to Notes issued by Deere Luxembourg or Deere Cash Management, the transfer will not be deemed to be effective until its registration in the relevant Duplicate Register in accordance with paragraph (g) below.

(g) ***Registration and delivery of Note Certificates***: Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and procure each Duplicate Register held respectively by Deere Luxembourg or Deere Cash Management to be updated and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) ***No charge***: The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) ***Closed periods***: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) ***Regulations concerning transfers and registration***: All transfers of Registered Notes and entries on the Register and the Duplicate Registers respectively held by Deere Luxembourg and Deere Cash Management are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status of the Notes and the Guarantees**

(a) ***Status of the Senior Notes***

This Condition 4(a) is applicable in relation to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated ("**Senior Notes**"). The Senior Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) ***Status of the Subordinated Notes***

This Condition 4(b) is applicable only in relation to Notes which are specified in the relevant Final Terms as being subordinated ("**Subordinated Notes**") and are issued by Deere or Deere Capital. Subordinated Notes issued by Deere or Deere Capital constitute direct, unsecured and subordinated obligations of Deere or Deere Capital, as the case may be, which will at all times rank *pari passu* without prejudice among themselves and at least *pari passu* and rateably with all other present and future unsecured and subordinated obligations of Deere or Deere Capital from

time to time outstanding save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The rights and claims of holders of the Subordinated Notes issued by Deere or Deere Capital, as the case may be, will, in the event that Deere or Deere Capital, as the case may be, is wound-up, dissolved, liquidated or ceases to exist as a body corporate, excluding where such event results in there being a successor to Deere or Deere Capital, as the case may be, and the obligations under the Notes are assumed by that successor, be subordinated in right of payment to unsubordinated and unsecured creditors of Deere or Deere Capital, as the case may be.

(c) ***Guarantee by Deere of Notes issued by Deere Cash Management***

Deere has in the Deere Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by Deere Cash Management, in respect of Senior Notes issued by it. This Guarantee of the Senior Notes constitutes direct, general, unconditional and unsubordinated obligations of Deere which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of Deere, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(d) ***Guarantee by Deere Capital of Notes issued by Deere Luxembourg***

Deere Capital has in the JDCC Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by Deere Luxembourg in respect of Senior Notes issued by them. This Guarantee of the Senior Notes constitutes direct, general, unconditional and unsubordinated obligations of Deere Capital which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of Deere Capital, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge with respect to Senior Notes**

(a) This Condition 5(a) is applicable only in relation to Senior Notes issued by Deere and Deere Cash Management. So long as any Senior Note remains outstanding, the relevant Issuer shall not and Deere (as Guarantor) shall not permit any Material Subsidiary to, issue, incur, assume or guarantee any debt ("**Debt**") secured by any Security Interest (other than a Permitted Security Interest) upon any present or future Important Property, or upon any present or future shares of stock or indebtedness issued by any Material Subsidiary without (a) at the same time or prior thereto securing the Senior Notes equally and rateably therewith or (b) providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution of Noteholders.

Notwithstanding the foregoing, the relevant Issuer or Deere (as Guarantor) or any Material Subsidiary may, without (a) equally and rateably securing the Senior Notes or (b) providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution of Noteholders, issue, incur, assume or guarantee Debt secured by a Security Interest which does not constitute a Permitted Security Interest, up to an aggregate amount which, together with the sum of (A) all other Debt issued or incurred by the relevant Issuer, Deere (as Guarantor) and its Material Subsidiaries secured by Security Interests (other than a Permitted Security Interest) which would otherwise be subject to the foregoing restrictions and (B) the Attributable Debt in respect of Sale and Lease-back Transactions in existence at such time does not at such time (other than Excluded Sale and Leaseback Transactions) exceed 5 per cent. of the Consolidated Net Worth of Deere, as shown on the audited consolidated balance sheet contained in the latest annual report of Deere.

(b) This Condition 5(b) is applicable only in relation to Senior Notes issued by Deere Capital and Deere Luxembourg. So long as any Senior Notes remain outstanding, the relevant Issuer shall not and Deere Capital (as Guarantor) shall not permit any of its Subsidiaries to issue, incur, assume or guarantee any Debt secured by any Security Interest (other than a Permitted Lien) on any of its property or assets, or any of the property or assets of any of its Subsidiaries, without (a) at the same time or prior thereto securing the Senior Notes equally and rateably therewith or (b) providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of Interest***

The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) ***Calculation of Interest Amount***

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) ***Renminbi Notes***

This Condition 6(e) shall apply to Renminbi Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment. The relevant Fixed Coupon Amount for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards. The Calculation Agent shall cause the relevant Fixed Coupon Amount and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the Registrar (in the case of Registered Notes) and the Holders in accordance with Condition 20 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

7. **Floating Rate Note Provisions**

(a) ***Application***

This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately

11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) ***ISDA Determination***

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(e) ***Maximum or Minimum Rate of Interest***

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. If no Minimum Rate of Interest is specified in the relevant Final Terms, then the Minimum Rate of Interest in respect of each relevant Interest Period shall be deemed to be zero, and in no event shall the Rate of Interest calculated in accordance with this Condition 7 be less than zero.

(f) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) ***Calculation of other amounts***

If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(h) ***Publication***

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) ***Notifications etc***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

(a) ***Application***

This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or

on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Interest to be non-contingent**

Interest on the Notes will not be determined by reference to the receipts, sales, income, profits or cashflow of the Issuer or a related person, or by reference to the change in the value of any property held by the Issuer or a related person.

10. **Redemption and Purchase**

(a) ***Scheduled redemption***

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*).

(b) ***Redemption for tax reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the applicable Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in the Guarantee of the Notes or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in the Guarantee of the Notes from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided*,* **however***,* **that** no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to

pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10 (b).

(c) ***Redemption at the option of the Issuer***

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) ***Partial redemption***

If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Redemption at the option of Noteholders***

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent (in the case of Bearer Notes) such Note together with all unmatured Coupons relating thereto or (in the case of Registered Notes) the certificate representing such Notes with the Registrar or any Transfer Agent, together with a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed

Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) ***No other redemption***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) ***Early redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) ***Purchase***

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time after 183 days following the Issue Date purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(i) ***Cancellation***

All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. **Payments – Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

(a) ***Principal***: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) ***Interest***: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) ***Payments in New York City***: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law (including applicable United States tax law).

(d) ***Payments subject to fiscal laws***: All payments in respect of the Bearer Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant FATCA. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons***: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided**, **however**, **that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided**, **however**, **that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided**, **however**, **that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) ***Unmatured Coupons void***: If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment

Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(k) ***Payment of U.S. Dollar Equivalent***: Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in Renminbi in Hong Kong, the Issuer shall, on giving not less than 5 or more than 30 days' irrevocable notice to the Holders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 11(k) (*Payment of U.S. Dollar Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Holders.

12. **Payments – Registered Notes**

This Condition 12 is only applicable to Registered Notes.

(a) ***Principal***: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) ***Interest***: Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) ***Payments subject to fiscal laws***: All payments in respect of the Registered Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to FATCA. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) ***Payments on business days***: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12 arriving after the due date for payment or being lost in the mail.

(e) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Registered Note in relation to a partial redemption or otherwise, the Issuer shall procure that the amount and date of such payment are noted on the Register and the relevant Duplicate Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) ***Payment of U.S. Dollar Equivalent***: Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in Renminbi in Hong Kong, the Issuer shall, on giving not less than 5 or more than 30 days' irrevocable notice to the Holders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of Registered Notes represented by Note Certificates shall be made by a U.S. dollar denominated cheque drawn on a bank in New York City and mailed to the holder of such Note Certificates at its address appearing in the Register, or, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, by transfer to a U.S. dollar denominated account with a bank in New York City.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 12(f) (*Payment of U.S. Dollar Equivalent*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Holders.

13. **Taxation**

(a) ***Gross up***

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the applicable Relevant Jurisdiction (in the case of payments by the Issuer) or the United States of America (in the case of payments by the Guarantor) or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by, or on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Note or Coupon; or

(ii) presented for payment in the applicable Relevant Jurisdiction; or

(iii) held by, or by a third party on behalf of, a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its (or a fiduciary, settlor, member or shareholder, beneficiary of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation) having some present or former connection with the applicable Relevant Jurisdiction (including being or having been a citizen or resident of such Relevant Jurisdiction or being or having been engaged in trade or business or present therein having or having had a permanent establishment therein) other than the mere holding of such Note or Coupon; or

(iv) held by a Holder which is or was a personal holding company, foreign personal holding company or passive foreign investment company with respect to the United States or a corporation that accumulates earnings to avoid United States federal income tax; or

(v) if such tax is an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment, or governmental charge; or

(vi) if such amount is payable otherwise than by withholding from a payment on such Note or Coupon or such amount is required to be withheld by a paying agent, if such payment can be made without such withholding by any other paying agent under the Agency Agreement; or

(vii) if such tax, duty assessment or governmental charge (A) would not have been imposed but for the failure to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the Relevant Jurisdiction of the Holder or beneficial owner of such Note if such compliance is required as a precondition to relief or exemption from withholding or deduction of all or part of such tax, duty, assessment or governmental charge, or (B) is withheld, deducted or otherwise imposed pursuant to FATCA; or

(viii) held by a Holder which is or has been a "10 per cent. shareholder" of the obligor of the Note as defined in Section 871(h)(3) of the United States Internal Revenue Code or any successor provisions; or

(ix) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting or surrendering such Note, Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(x) where such withholding or deduction is imposed on savings income as regards to Luxembourg resident individuals according to the law of 23 December 2005, as 20 per cent. withholding tax; or

(xi) (except in the case of Registered Notes) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(xii) in the case of any combination of items (i) through (xi);

nor shall additional amounts be paid to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor of such fiduciary or partnership or beneficial owner would not have been entitled to such additional amounts had such beneficiary, settlor or beneficial owner been the holder of the Note.

(b) ***Taxing jurisdiction***

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Relevant Jurisdiction or the United States respectively, references in these Conditions to the Relevant Jurisdiction or the United States shall be construed as references to the Relevant Jurisdiction or (as the case may be) the United States and/or such other jurisdiction.

14. **Events of Default**

If any of the following events occurs and is continuing:

(a) ***Non-payment of interest***: default in the payment of any interest upon any Note of that Series or any related Coupon, when such interest or Coupon becomes due and payable, and continuance of such default for a period of 30 days; or

(b) ***Non-payment of principal***: default in the payment of the principal of (or premium, if any, on) any Note of that Series when it becomes due and payable; or

(c) ***Breach of other obligations***: default in the performance, or breach, of any covenant or agreement of the Issuer (or, if applicable, the Guarantor) in respect of the Notes of the relevant Series, the Agency Agreement or the Deed of Guarantee (other than a covenant or warranty in respect of the Notes of such Series, a default in the performance of which or the breach of which is elsewhere in this Condition specifically dealt with or which has expressly been included in such Notes solely for the benefit of Series of Notes other than that Series) and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Issuer or, if applicable, the Guarantor or the Specified Office of the Fiscal Agent by Noteholders of at least 25 per cent. in principal amount of Notes outstanding of that Series a written notice specifying such default or breach and requiring it to be remedied stating that such notice is a "Notice of Default"; or

(d) ***Insolvency etc***: in the case of Notes issued by Deere Luxembourg, Deere Cash Management (i) such Issuer or its Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, is appointed (or application for any such appointment is made), (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer is ordered by a court of competent jurisdiction to cease to carry on all or any substantial part of its business (otherwise than, in the case of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent and in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to any amalgamation, reorganisation or restructuring); or

(e) ***Bankruptcy, etc of Deere or Deere Capital***: in the case of Notes issued by or guaranteed by Deere or Deere Capital (i) Deere or Deere Capital (as the case may be) pursuant to or within the meaning of any Bankruptcy Law commences a voluntary case, or consents to the entry of an order for relief against it in an involuntary case, or consents to the appointment of a Custodian of it or for all or substantially all of its property or makes a general assignment for the benefit of its creditors; or (ii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that is for relief against Deere or Deere Capital (as the case may be) in an involuntary case, or appoints a Custodian of it or for all or substantially all of its property, or orders the liquidation of it and the order or decree remains unstayed and in effect for 90 days. In this Condition, the term "**Bankruptcy Law**" means title 11, U.S. Code or any similar Federal or State law for the relief of debtors. The term "**Custodian**" means any receiver, trustee, assignee, liquidator or other similar official under any Bankruptcy law,

then any Senior Note of any Issuer or any Subordinated Note issued by Deere or Deere Capital may, by written notice addressed by the holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented

for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed on the last page of this Base Prospectus.

The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided**, **however**, **that**:

(a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times, whilst any such Note remains outstanding, maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver**

(a) ***Meetings of Noteholders***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided**, **however**, **that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or

more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

For the avoidance of doubt, Articles 86 to 94-8 of the Luxembourg law on Commercial Companies dated 10 August 1915, as amended, are hereby excluded in respect of the Notes, Coupons and Talons.

(b) ***Modification***

The Notes, these Conditions, the Deeds of Guarantee and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer will not issue further notes that form a single series with the Notes, if any, issued on or before 30 June 2014.

20. **Notices**

(a) ***Bearer Notes***: Notices to the Holders of Bearer Notes admitted to the Official List of the Irish Stock Exchange and/or admitted to trading on the regulated market of the Irish Stock Exchange will be deemed to be validly given if filed within the Companies Announcement Office of the Irish Stock Exchange or published in a leading English language daily newspaper of general circulation in Ireland and approved by the Irish Stock Exchange. It is expected that such publication will be made in The Irish Times. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) ***Registered Notes***: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and the Duplicate Register if different from the Register (with respect to Registered Notes issued by Deere Luxembourg or Deere Cash Management) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to

the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

(a) ***Governing law***: The Notes, each Deed of Guarantee, the Agency Agreement and the Deed of Covenant and all non-contractual obligations arising out of or in connection with them are governed by, English law except that in the case of Subordinated Notes issued by Deere or Deere Capital, the provisions of Condition 4(b) and all matters arising from or in connection with them shall be governed by and construed in accordance with the federal laws of the United States of America. For the avoidance of doubt, the provisions of articles 86 to 94-8 of the Luxembourg law on Commercial Companies dated 10 August 1915, as amended, are excluded in respect of the Notes, Coupons and Talons.

(b) ***English courts***: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or in connection with the Notes.

(c) ***Appropriate forum***: Each Issuer and Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any dispute and, accordingly, that it will not argue to the contrary.

(d) ***Rights of the Noteholders to take proceedings outside England***: Condition 23(b) (*English Courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings in relation to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) ***Service of process***: Each Issuer and Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Clifford Chance Secretaries Limited at its registered office from time to time, being at the date of these Conditions at 10 Upper Bank Street, London E14 5JJ, or, if different, its registered office for the time being or at any address of the Issuers or the Guarantors in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuers or the Guarantors, the Issuers and Guarantors (acting together) shall, on the written demand of any of the Noteholders addressed to the Issuers and the Guarantors and delivered to the Issuers and the Guarantors or to the Specified Office of the Fiscal Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuers and the Guarantors and delivered to the Issuers and the Guarantors or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect

the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

24. **Rights of Third Parties**

No person shall have any right to enforce any term or condition of the Notes under the Contract (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy of a third party which exists or is available apart from such Act.

Exhibit 10.14

JOHN DEERE DEFINED CONTRIBUTION RESTORATION PLAN

EFFECTIVE 1 JANUARY 1997

AMENDED: 12 January 2000
EFFECTIVE: 1 January 2000

AMENDED: 28 November 2000
EFFECTIVE: 1 January 2001

AMENDED: 1 DECEMBER 2005
EFFECTIVE: 1 JANUARY 2005

AMENDED: 13 DECEMBER 2007
EFFECTIVE: 1 JANUARY 2008

AMENDED: 15 DECEMBER 2008
EFFECTIVE: 1 JANUARY 2009

AMENDED: 4 MARCH 2013
EFFECTIVE: 1 JANUARY 2013

AMENDED: 26 JUNE 2015
EFFECTIVE: 1 NOVEMBER 2015

AMENDED: 31 OCTOBER 2016
EFFECTIVE: 1 NOVEMBER 2015

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ARTICLE I. ESTABLISHMENT, PURPOSE AND CONSTRUCTION

1.1 Establishment. Effective 1 January 1997, Deere & Company established the John Deere Defined Contribution Restoration Plan (the "Plan") for the benefit of the salaried employees on its United States payroll and the salaried employees of its United States subsidiaries or affiliates that have adopted the John Deere Savings and Investment Plan (the "SIP"). Deere & Company and its United States subsidiaries and affiliates that have adopted the SIP (jointly the "Company") are also deemed to have adopted this Plan.

Effective as of 1 January 2007 (unless otherwise provided herein), the Plan was amended pursuant to Section 409A of the Code. Amendments to the Plan adopted in 2007 are intended to align Plan provisions with prior operational changes and avoid the imposition on any Participant of taxes and interest pursuant to Section 409A of the Code. Interpretation of any portion of the Plan, if necessary, shall be consistent with this intent.

1.2 Purpose. The Company maintains a defined contribution plan, known as the John Deere Savings and Investment Plan (the "SIP"), which is intended to be a qualified defined contribution plan which meets the requirements of Section 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended and the rulings and regulations thereunder (the "Code"). Section 401(a)(17) of the Code limits the amount of compensation paid to a participant in a qualified defined contribution plan which may be taken into account in determining contributions under such a plan. Section 402(g) of the Code limits the amount of compensation a participant may defer in a qualified defined contribution plan. Section 415 of the Code limits the amount which may be contributed under a qualified defined contribution plan. Prior to 2007, the Plan was intended to restore contributions which, when combined with the amount actually contributed under the SIP, are reasonably comparable to the contributions which participants in the SIP would have received under such plan if there were no limitations imposed by Sections 401(a)(17), 402(g) and 415 of the Code. Effective as of 1 January, 2007, this Plan was intended to provide contributions which were reasonably comparable to the contributions which participants could have received under the SIP if they participated in the SIP and if there were no limitations imposed by Sections 401(a)(17), 402(g) and 415 of the Code. Effective as of 1 January 2013, this Plan is intended to provide contributions of an elected percentage of a Participant's eligible Compensation in excess of the limitation imposed by Section 401(a)(17) of the Code .

The Plan is intended to qualify as an unfunded deferred compensation plan for a select group of management or highly compensated employees, within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, and the rulings and regulations thereunder ("ERISA").

1.3 Effective Date and Plan Year. The Plan was first effective 1 January 1997. The Plan Year shall be the twelve-month period beginning on 1 November of each year and

ending on 31 October of the following year with the exception of the first Plan Year which will start 1 January 1997 and end 31 October 1997.

1.4 Application of Plan. The terms of this Plan are applicable only to eligible employees of the Company as described in Section 2.1 below who become eligible to defer compensation hereunder on or after 1 January 1997.

1.5 Construction. Unless the context clearly indicates otherwise or unless specifically defined herein, all operative terms used in this Plan shall have the meanings specified in the SIP and the words in the masculine gender shall be deemed to include the feminine and neuter genders and the singular shall be deemed to include the plural and vice versa. References to Sections are references to sections in the Plan, unless otherwise provided.

ARTICLE II. PARTICIPATION

2.1 Eligibility to Participate.

(a) Effective as of 1 January 2006, any Employee not participating in the Traditional Option under the SIP who is an active Employee on 31 October of a calendar year shall be eligible to participate in the Plan (a "Participant") during the subsequent calendar year, provided they have eligible Compensation for the calendar year of participation in excess of the limit under Section 401(a)(17) of the Code that was in effect for the immediately preceding calendar year.

(b) Prior to 2006, any employee participating in the Contemporary Option under the SIP whose salary deferral and matching contribution under the SIP are reduced by the limitations imposed by Sections 401(a)(17), 402(g) and 415 of the Code shall be eligible to participate in the Plan.

2.2 Effect of Transfer. An Employee who is a Participant in this Plan and who ceases to be an eligible Employee as described in Section 2.1 above shall cease participation in the Plan; however, any past contributions and applicable matching contributions will continue to be accounted for as elected by the employee subject to Section 4.2 of this Plan.

2.3 Beneficiaries. Beneficiaries under this Plan shall be determined in accordance with Section 8.6 of the SIP; however, beneficiaries for this Plan shall be designated on a separate form and may be an individual or individuals other than beneficiaries designated under the SIP.

ARTICLE III. CONTRIBUTIONS

3.1 Deferral Allocations.

(a) Effective 1 January 2007. Effective as of 1 January 2007, pursuant to one or more deferral agreements in force under this Plan and subject to this Article III, the maximum amount of Deferral Allocations (as defined in Section 3.3 hereof) that may be allocated during a calendar year to a Participant's Account under this Plan is determined as follows:

(i) the deferral percentage elected under this Plan not to exceed 6%, multiplied by,

(ii) eligible Compensation for a calendar year in excess of the limit under Section 401(a)(17) of the Code that was in effect for the immediately preceding calendar year.

A Participant's deferrals under the Plan shall not commence until such Participant's Compensation from such calendar year exceeds the amount determined pursuant to Section 3.1(a)(ii).

(b) Prior to 2007. Prior to January 1, 2007, pursuant to a salary deferral agreement in force under the SIP and subject to the provisions hereof, any amount of contribution up to 6% of Compensation for a calendar year that is restricted under Section 401(a)(17), Section 402(g) or 415 of the Code shall be allocated to a Participant's salary deferral account under the Plan.

(c) Eligible Compensation. For purposes of Sections 3.1(a)(ii) and 3.3:

(i) "Compensation" for purposes of Deferral Allocations (as defined in Section 3.3 hereof) under the Plan shall be Compensation as defined under the terms of the SIP in effect on 1 January 2007, which is paid to a Participant during the period beginning on the date on which such Participant first commences participation in the Plan and ending on the date of such Participant's Separation from Service; provided, however, that such definition of Compensation under the SIP shall be applied without giving effect to the exclusion of amounts deferred under nonqualified deferred compensation plans, which are not considered "compensation" within the meaning of Section 415 of the Code and are not included in the definition of Compensation under the terms of the SIP; provided, further, that for avoidance of doubt, amounts received while a Participant is on a Special Paid Leave of Absence shall be considered Compensation for purposes of this Plan; and provided, further, that for avoidance of doubt, amounts received by a Participant after such Participant's Separation from Service are not considered Compensation for purposes of this Plan, whether or not such amounts are received in respect of services performed prior to the Participant's Separation from Service.

(ii) Compensation payable after 31 December of a calendar year for services performed during the final payroll period of such calendar year containing such 31 December shall be treated as Compensation for the subsequent calendar year;

(iii) Compensation for Participants who participate in the Contemporary Option under the SIP shall include Performance-Based Compensation received under the John Deere Short-Term Incentive Bonus Plan; and

(iv) Sales commissions shall be deemed earned in the calendar year in which the customer remits to the Company the payment to which such Compensation relates.

(v) Compensation shall include salary continuation benefits paid to a Disabled Participant during the 12-month period beginning on the Participant's absence from work due to Disability and ending on the date on which benefits commence under the Company's long-term disability plan, plus any Performance-Based Compensation received under the John Deere Short-Term Incentive Bonus Plan during such period, if any.

3.2 Employer Matching Allocations. Employer matching contributions, if any, corresponding to Deferral Allocations under Section 3.1 above shall be allocated to a matching account under this Plan. Employer matching contributions under this Plan will be determined as described in Article IV, Section 4.1(b) of the SIP.

3.3 Deferral Elections.

(a) Effective 1 January 2007.

(i) A Participant's deferral allocation under the Plan (the "Deferral Allocation") with respect to Performance-Based Compensation for services performed during a Plan Year commencing on or after 1 November 2006 and with respect to all other Compensation for services performed during a calendar year commencing on or after 1 January 2007 that is not Performance-Based Compensation (including commission compensation earned during the calendar year) shall be irrevocably determined pursuant to such Participant's deferral agreement in effect under this Plan as of 31 October preceding the beginning of the Plan Year (in the case of Performance-Based Compensation) and the beginning of the calendar year (for all other Compensation); provided, however, that the Deferral Allocation under the Plan shall not exceed 6% of the Participant's Compensation; and provided further that the Participant's deferral agreement shall remain in effect for subsequent years until revoked or modified. Any such revocation or modification executed during a Plan Year shall become effective for Performance-Based compensation for the subsequent Plan Year and for other Compensation earned in the calendar

year commencing after the end of the Plan Year in which the revocation or modification occurs.

(ii) Effective for calendar years commencing on or after 1 January 2007 and Plan Years commencing on or after 1 November 2006, an eligible Employee who does not have a Deferral Allocation in place on 31 October shall not be permitted to participate in the Plan during the following calendar year or Plan Year.

(iii) A Participant's elections with respect to his deferral agreement under the SIP shall have no effect on such Participant's Deferral Allocation under the Plan.

(b) 1 January 2006 to 31 December 2006. With respect to the calendar year commencing 1 January 2006 and the Plan Year commencing 1 November 2005, a Participant's Deferral Allocation shall be based on the Participant's deferral agreement under the SIP in effect as of 31 December 2005.

(c) 1 January 2005 to 31 December 2005.

With respect to the calendar year beginning 1 January 2005 and the Plan Year beginning 1 November 2004, a Participant shall be permitted, through 15 March 2005, pursuant to Q&A 21 in Notice 2005-1, to make a new Deferral Allocation election or increase an existing Deferral Allocation with respect to amounts that have not been paid or that have not become payable at the time of such election; provided that the Participant's deferral agreement under the SIP in effect as of 15 March 2005 shall determine such Participant's Deferral Allocations under the Plan for the remainder of the 2005 calendar year; and provided further that such election with respect to the Plan shall not exceed 6% of the Participant's Compensation and shall be in accordance with procedures established by the Plan Administrator.

(d) Prior to 1 January 2005. Effective 1 January 1997 or the first day of any subsequent month through December 1, 2004, an eligible Employee may elect to defer Compensation by completing a written election no later than the last work day of any month authorizing the Company to defer a percentage of Compensation under Section 4.8 of the SIP, provided that such employee is participating in the Contemporary Option under the SIP. Such election will remain in force until changed or revoked by the Employee or the Employee ceases to be eligible to participate according to Article II of this Plan.

3.4 No Hardship Withdrawals. Hardship withdrawals from a Participant's Account under the Plan shall not be permitted. Effective as of 1 January 2006, if a Participant receives a distribution of a Hardship Withdrawal from the SIP, his Deferral Allocation for purposes of the Plan shall cease and the election set forth in his deferral agreement under the Plan shall be cancelled. A new Deferral Allocation with respect to the Plan following the cancellation of a prior Deferral Allocation due to a Hardship Withdrawal

under the SIP shall be subject to the timing requirements of Section 3.3 and Section 409A.

3.5 FICA Tax. All Deferral Allocations are subject to FICA tax in the payroll period in which they are deferred. Such FICA taxes will be withheld only as necessary from the Participant's Compensation prior to any deferral under this Plan.

ARTICLE IV. ACCOUNTS AND RATE OF RETURN

4.1 Participant Accounts. Bookkeeping accounts will be maintained for each participant under the Plan and shall be credited with a rate of return as provided in Section 4.2 below. Such rate of return for the notional investment options described in section 4.2(a) shall be credited monthly, as of the end of the last business day of the month, and the rates of return for the notional investment options described in section 4.2(b) shall be credited daily. While the performance of the notional investment options identified in sections 4.2(a) and 4.2(b) will be used to determine the rate of return (positive or negative) to be credited to a Participant's Account, a Participant's Account will not actually be invested in any of such notional investment options.

4.2 Rate of Return.

(a) The rate of return for a Participant's Account shall be the average of Prime Rate plus two percent as determined by the Federal Reserve statistical release for the month immediately preceding the month for which such rate shall be credited to Account balances for Deferral Allocations and Employer matching contributions under this Plan.

Alternatively, a Participant may elect a rate of return equal to the average of the S&P 500 Index for the month immediately preceding the month for which such rate shall be credited to Account balances for Deferral Allocations and Employer matching contributions under this Plan.

Effective 1 November 2015, the above two notional investment options are frozen to future contributions and exchanges into these two notional investment options. Notwithstanding the preceding sentence, exchanges out of these two notional investment options will still be permitted.

(b) Effective 2 November 2015 the notional options listed on Schedule A shall become available for exchanges and effective 3 November 2015, the same notional investment options shall be available to future contributions. The Administrator may from time to time in its discretion modify the list of notional investment options set forth on Schedule A and, as so modified, such list shall constitute the notional investment options available for exchanges and future contributions occurring after the effective date of such modification.

4.3 Electing a Rate of Return. A Participant shall be permitted to make an election or to modify an election then in effect regarding the rate of return applicable to existing balances and future contributions at any time. A Participant may elect any of the above rates of return listed in section 4.2(b) for any portion of the Account in whole percentage increments (provided that no such election may be made with respect to any portion of the Account having a value of less than $250). The sum of all such portions must equal 100%. If a Participant submits a Deferral Allocation to the Recordkeeper, but fails to submit an election regarding the rate of return, the rate of return for such Participant's

future contributions shall be the BTC LifePath Fund closest to the participant's 65^{th} birthday until modified by the Participant in accordance with this Section 4.3.

4.4 Qualified Domestic Relations Orders. In the event of a Qualified Domestic Relations Order, a separate account will be established for any qualified alternate payee subject to Article V. No portion of the non-vested Employer matching contributions or earnings thereon may be assigned to the Alternate Payee. Distributions to the Alternate Payee will be made on the same schedule that would apply were such amounts distributed to the Participant pursuant to Article VI, except to the extent that the Qualified Domestic Relations Order provides otherwise. The Administrator may accelerate the time or schedule of payment under the Plan to an Alternate Payee to the extent necessary to fulfill a Qualified Domestic Relations Order including to a date determined without regard to the Participant's employment status.

ARTICLE V. VESTING

5.1 Vested Interest. A Participant shall be fully vested in the portion of the Account comprised of Deferral Allocations and gains or losses thereon. Furthermore, the Participant shall be 100% vested in the Employer matching contributions and the gains or losses thereon after attaining three years of service credit (as determined under the SIP). In the event of a Qualified Domestic Relations Order, no portion of non-vested Employer matching contributions or the gains or losses thereon may be assigned to the alternate payee.

5.2 Forfeiture of Non-Vested Balances. A Participant who incurs a Separation from Service prior to three years of service credit shall forfeit all Employer matching contributions and the earnings thereon. In the event a Participant is rehired by the Company within five (5) years following such Separation from Service with the Company and, in accordance with the applicable provisions of the SIP, such Participant earns three years of service credit (including any service credit earned prior to the initial Separation from Service), all forfeited Employer matching contributions and growth additions up to the date of the Participant's Separation from Service with the Company shall be restored to the Participants Account.

ARTICLE VI. DISTRIBUTIONS

6.1 Distributions for Separation from Service On and After 1 January 2006.

(a) Participants Retirement Eligible as of 31 December 2005.

(i) A Participant who is Retirement Eligible as of 31 December 2005 and incurs a Separation from Service on or after 1 January 2006 shall be permitted, subject to Sections 6.4 and 6.5, to irrevocably elect the form of distribution for his Account, pursuant to Section 6.3 and this Section 6.1(a)(i), paid, at the Participant's election, either (A) the first day of the month containing the date that is six months and one day after his Separation from Service, plus one day for each day of Vacation, (B) one or more years after his Separation from Service or (C) on a date specified by the Participant, provided that if such specified date is a date prior to the Participant's Separation from Service, then such specified date shall be disregarded and the Account shall be distributed on the date that is six months and one day after the Separation from Service, plus one day for each day of Vacation. Elections pursuant to this Section 6.1(a)(i) shall be made by no later than 31 December 2005 in accordance with procedures established by the Administrator and shall provide that distribution of the Account shall begin no later than 1 January of the calendar year following the calendar year in which the Participant attains age 75. An election made pursuant to this Section 6.1(a)(i) shall apply to a Participant's entire Account, including amounts credited to the Account after 31 December 2005.

(ii) If a Participant described in Section 6.1(a)(i) does not make a timely election pursuant to Section 6.1(a)(i), his Account shall be paid in accordance with Section 6.1(b).

(b) Participants Retirement Eligible After 31 December 2005 Who Separate from Service After Becoming Retirement Eligible. Effective as of 1 January 2006, the Account of a Participant (i) who becomes Retirement Eligible after 31 December 2005, and (ii) whose Separation from Service occurs after he becomes Retirement Eligible, shall be paid in five annual installments. The amount and timing of each annual installment shall be determined as follows:

(i) The initial annual installment shall be an amount that is substantially equal to one-fifth of the value of the Participant's Account determined as of the last valuation date of the month immediately preceding the Measurement Date, and shall be paid on the last day of the month following the month which contains the Measurement Date. For purposes of Section 6.1, "Measurement Date" means the date that is the first anniversary of the Participant's Separation from Service, plus one day for each day of Vacation.

(ii) The second annual installment shall be an amount that is substantially equal to one-fourth of the value of the Participant's Account determined as of the last valuation date of the month immediately preceding the date that is the first anniversary of the Measurement Date, and shall be paid on the last day of the month following the month which contains the first anniversary of the Measurement Date.

(iii) The third annual installment shall be an amount that is substantially equal to one-third of the value of the Participant's Account determined as of the last valuation date of the month immediately preceding the date that is the second anniversary of the Measurement Date, and shall be paid on the last day of the month following the month which contains the second anniversary of the Measurement Date.

(iv) The fourth annual installment shall be an amount that is substantially equal to one-half of the value of the Participant's Account determined as of the last valuation date of the month immediately preceding the date that is the third anniversary of the Measurement Date, and shall be paid on the last day of the month following the month which contains the third anniversary of the Measurement Date.

(v) The fifth annual installment shall be an amount that is equal to the entire remaining balance in the Participant's Account and shall be paid on the date that is the fourth anniversary of the Measurement Date.

(c) Participants Not Retirement Eligible When Separated. Effective as of 1 January 2006, the Account of a Participant (i) who is not Retirement Eligible as of 31

December 2005, and (ii) whose Separation from Service occurs after 31 December 2005 and prior to the date on which he becomes Retirement Eligible shall be paid in a single lump sum on the last day of the month following the month in which the first anniversary of such Participant's Separation from Service occurs.

6.2 Distributions for Separation from Service from 1 January 2005 to 31 December 2005.

(a) General Rule. A Participant who incurs a Separation from Service between 1 January 2005 and 31 December 2005 inclusive shall be permitted to elect, in accordance with procedures established by the Administrator to receive his 409A Account in any of the payment forms specified in Section 6.3. The 409A Account shall be distributed at the time (or over a period of years) specified by the Participant; provided that the Participant shall not be permitted to elect a date that is earlier than 30 days following (i) the last day of the month in which the Participant's Separation from Service occurs (ii) plus one day for each day of Vacation in the case of Retirement or no later than 1 January of the year following the year in which the Participant attains age 75. If a Participant elects to receive his 409A Account in the form of installments of decrementing amounts or a specified amount, each installment subsequent to the first shall be paid on the anniversary of first installment. The election pursuant to this Section 6.2(a) shall be made by no later than 31 December 2005.

(b) No Election. If a Participant described in Section 6.2(a) does not make a timely election, his 409A Account shall be paid in accordance with Section 6.1(c).

(c) Grandfathered Account. During calendar year 2005, a Participant's Grandfathered Account shall be distributed in accordance with Section 6.3.

(d) Section 409A Transition Rules. Notwithstanding anything in the Plan, effective, unless otherwise provided, as of 1 January 2005 with respect to the 409A Account of a Participant and 1 January 2006 with respect to the Account:

(i) Timing of Elections and Plan Amendments. Except as otherwise provided in Section 6.2(d)(ii), to the extent that any Participant makes, on or prior to 31 December 2005, a payment election or the Company amends, on or prior to 31 December 2007, Plan provisions regarding the time and form of payment of a Participant's 409A Account, with respect to all or a portion of the amounts previously deferred that are subject to Section 409A, such election and amendment shall be deemed to be made pursuant to Q&A 19(c) in Notice 2005-1.

(ii) Termination of Participation; Cancellation of Deferral. To the extent that a Participant receives in the 2005 calendar year a distribution of all, or any portion, of his 409A Account or prospectively cancels or reduces in the 2005 calendar year all or any portion of his Salary Deferral Allocation

election under the SIP, as the case may be, such distribution or cancellation shall be deemed a whole or partial (as the case may be) (i) termination of such Participant's 409A Account or (ii) cancellation of such Participant's deferral election under the Plan, each pursuant to Q&A 20(a) of Notice 2005-1.

6.3 Distributions Prior to 1 January 2005.

(a) Time and Manner. Distribution of a Participant's Account shall commence as soon as practicable after the valuation date at the end of the month following 30 days after the Participant's termination of employment or 60 days following a Participant's death in accordance with the election in 6.3(b) below and form of distribution shown in 6.3(c). Termination of employment for the purposes of this Plan shall include retirement and Long-Term Disability status on or after 1 November 1998. Distribution must begin no later than 1 January of the year following the year the Participant reaches age 75.

(b) Election. A Participant shall make an irrevocable election regarding the time and manner of distribution no later than 30 days following termination of employment. Termination of employment for the purposes of this Plan shall include retirement and Long-Term Disability status on or after 1 November 1998. If the Participant's employment is terminated by death, any eligible beneficiary shall make such irrevocable election within 60 days following the Participant's death.

(c) Form of Distribution.

(i) A single lump sum payment

(ii) A specified dollar amount each year until Account balance reaches zero.

(iii) A decrementing yearly withdrawal over a specific period of time which results in a zero Account balance.

In the event of the death of the Participant or a Qualified Domestic Relations Order, such beneficiaries or the Alternate Payee must take distribution as a single lump sum payment within 180 days following the event

6.4 Death. Upon the death of a Participant, his 409A Account, if the death occurs in calendar year 2005, and, notwithstanding anything to the contrary in Section 6.1, 6.2 or 6.5 regarding the time or form of payment, his Account (or the remainder of his Account, if benefits have already commenced), if the death occurs on or after 1 January 2006, shall be paid to his beneficiaries in a lump sum on the first day of the month following the date of the Participant's death.

6.5 Disability. A Participant who incurs a Separation from Service due to a Disability on or after January 1, 2006 shall receive a distribution of his Account in accordance with Section 6.1(b) or (c), as applicable. A Participant's Separation from Service due to

Disability shall be deemed to occur on the date that is 29 months after the first day of Participant's absence from work due to Disability.

6.6 Six-Month Delay. Distributions on or after 1 January 2005 of a Participant's 409A Account and on or after 1 January 2006 of a Participant's Account shall be made in accordance with the provisions of Section 409A. To the extent such distributions are made in connection with a Participant's Separation from Service for any reason other than death and the Participant is a "specified employee" for purposes of Section 409A, as determined under the Company's established methodology for determining specified employees, on the date on his Separation from Service, such distributions shall not commence to be paid on any date prior to the first business day after the date that is six onths following the Participant's Separation from Service.

6.7 Distribution of Net Gains Realized from Rate of Return Elections. Any net gain credited to a Participant's Account pursuant to an election made pursuant to Section 4.3 hereof shall be distributed at the same time and in the same manner as the remainder of his Account is distributed in accordance with Sections 6.1 through 6.6.

6.8 Employment Taxes due Upon Vesting. To the extent permitted under Section 409A, the Company may distribute an amount from a Participant's Account to cover employment taxes payable on account of employer matching contributions (and earnings thereon) as well as related income tax withholding due on such distribution.

ARTICLE VII. ADMINISTRATION, AMENDMENT AND TERMINATION

7.1 Employment Rights. Nothing under this Plan shall be construed to give any employee the right to continue employment with the Company or to any benefits not specifically provided herein.

7.2 Applicable Law. This Plan, to the extent it is not exempt therefrom, shall be governed and construed in accordance with the applicable provisions of ERISA. To the extent not governed by ERISA, this Plan shall be governed and construed in accordance with the laws of the State of Illinois, exclusive of conflict laws.

7.3 Non-Alienation. Except as provided in Section 10.5 of the SIP and Section 4.4 of this Plan, no right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefits except for such claims as may be made by the Company.

7.4 Withholding of Taxes. The Company, or its designee, may withhold from any payment of benefits under this Plan any income, employment or other taxes required to be withheld, including any taxes for which the Company or its designee may be liable with respect to the payment of such benefits.

7.5 Unsecured Interest, Funding and Rights Against Assets. No participant, surviving spouse, beneficiaries, or qualified alternate payee shall have any interest whatsoever in any specific asset of the Company. To the extent that any person acquires a right to receive payments under this Plan, such rights shall be no greater than the right of any unsecured general creditor of the Company. Account balances shall not be financed through a trust fund or insurance contracts or otherwise unless owned by the Company. Payment of Account balances shall be paid in cash from the general funds of the Company. All expenses of administering this Plan shall be borne by the Company.

7.6 Effect on Other Benefit Plans. Amounts payable under this Plan, including Employer matching allocations and growth additions, shall not be considered compensation for purpose of any qualified or non-qualified retirement plan maintained by the Company. The treatment of such amounts under any other plan of the Company shall be determined under the provisions of such plan.

7.7 Administration.

(a) This Plan shall be administered by the Administrator. The Administrator shall have the power to construe and interpret this Plan, decide all questions of eligibility and determine the amount, manner, and time of payment of any benefits hereunder. All determinations of the Administrator shall be final, binding, and conclusive on all persons.

(b) The Administrator shall not accelerate or delay payment under the Plan except to the extent that such acceleration (including as a result of a “change in control”

within the meaning of the default provisions of Section 409A and the final regulations promulgated thereunder) or delay shall not cause any person to incur additional taxes, interest or penalties under Section 409A ("Section 409A Compliance").

7.8 Amendment, Modification or Termination. The Board of Directors of the Company, or, the Management Compensation Committee of the Company, may at any time amend or modify this Plan in their sole discretion, provided that this Plan shall not be amended or modified so as to reduce or diminish the Accounts of participant's or benefits then currently being paid to any participant, surviving spouse, beneficiary, or former participant without such person's consent. The power to terminate this Plan shall be reserved to the Board of Directors of Deere & Company. The procedure for amendment or modification of the Plan by either the Board of Directors, or, to the extent so authorized, the Management Compensation Committee of the Company, as the case may be, shall consist of the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company.

7.9 409A Amendments and Modifications. Notwithstanding anything in Section 7.8 to the contrary, the Vice President of Human Resources of the Company and any successor thereof shall have the unilateral right to amend or modify the Plan to the extent the Vice President of Human Resources and any successor thereof deems such action to be necessary or advisable to avoid the imposition on any person of adverse or unintended tax consequences under Section 409A. Any determinations of the Vice President, Human Resources or the successor thereof pursuant to this Section 7.9 shall be final, conclusive and binding on all persons.

7.10 Distribution Upon Plan Termination; Withdrawal from the Plan.

(a) If the Plan is terminated pursuant to Section 7.8, payment of Participant Accounts shall be made in accordance with Article VI, except to the extent that the Board of Directors of the Company or the Management Compensation Committee of the Company determines, in its sole discretion and in full and complete settlement of the Company's obligations under this Plan, to distribute the full amount of a Participant's Account to the Participant; provided that such distribution may be effected in a manner that will result in Section 409A Compliance.

(b) If a participating subsidiary or affiliate withdraws from the Plan pursuant to Section 7.11, payment of Participant Accounts shall be made in accordance with Section 6.1 or 6.2, as applicable.

7.11 Withdrawal from Plan. If an adopting subsidiary or affiliate which is participating in this Plan subsequently determines that it no longer wants to participate in this Plan or have its employees participate in this Plan, that subsidiary or affiliate must request permission from Deere & Company to withdraw from participating in this Plan. If the

Company grants such permission, such subsidiary or affiliate will immediately thereafter cease to participate in this Plan and its employees will cease to be participants in this Plan unless and until such subsidiary or affiliate thereafter requests permission to again participate in this Plan.

7.12 Definition of Subsidiary or Affiliate. In order for a subsidiary or affiliate of the Company to participate in this Plan, Deere & Company must own, directly or indirectly, at least 80 percent of the outstanding stock of such subsidiary or affiliate.

If during its affiliation with the Plan, a subsidiary or an affiliate's ownership by the Company falls below the 80 percent required level, such subsidiary or affiliate is automatically dropped from participation in this Plan and its employees are similarly dropped from being participants in this Plan.

If a subsidiary or affiliate of Deere & Company which is covered by this Plan ceases to be a subsidiary or affiliate, the participation in this Plan by the employees of such subsidiary or affiliate shall terminate, and no employees of such former affiliate or subsidiary shall accrue or be entitled to a benefit under this Plan on and after the date such company ceases to be a subsidiary or affiliate of Deere & Company (other than former employees who were receiving benefit payments as of such date).

ARTICLE VIII. DEFINITIONS

8.1 Section References. All references to sections are, unless otherwise indicated, references to sections of the Plan.

8.2 Terms Defined. Whenever used in the Plan, the following terms shall have the meanings set forth below:

"409A Account" means the portion of a Participant's account under the Plan the right to which is not both earned and vested on December 31, 2004.

"Account" means, effective as January 1, 2006, a Participant's Grandfathered Account and 409A Account.

"Administrator" means the Company.

"Deferral Allocation" means, with respect to a Participant, the deferral allocation election under the Plan applicable to Performance-Based Compensation and all other Eligible Compensation.

"Disability" means an absence from work due to a disability as determined under the long-term disability plan or practice of the Company for 12 months or longer, or, if earlier, the date on which a Participant's reemployment with the Company ceases to be guaranteed.

"Grandfathered Account" means the portion of a Participant's account under the Plan the right to which is both earned and vested on December 31, 2004. The Grandfathered Account shall be subject to the Prior Plan.

"Notice 2005-1" means Notice-2005-1 promulgated by the U.S. Treasury Department and the Internal Revenue Service., as clarified and expanded by Final Regulations under Section 409A and Notice 2006-79.

"Performance-Based Compensation" means performance-based compensation within the meaning of Section 409A.

"Prior Plan" means the terms of the Plan in effect immediately prior to 1 January 2005, as set forth in the Company's written documents, rules, practices and procedures applicable to this Plan (but without regard to any amendments thereto after 3 October 2004 that would result in any material modification, within the meaning of Section 409A and Notice 2005-1, of the Grandfathered Benefit).

"Retirement Eligible" means eligible for a normal retirement benefit or an early retirement benefit within the meaning of the terms of the John Deere Pension Plan for Salaried Employees--Contemporary Option in effect as of 1 January 2007.

"Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and the rulings and regulations thereunder.

"Separation from Service" means, with respect to a Participant, a separation from service within the meaning of the default rules of Section 409A; provided, however, that, notwithstanding anything in Section 7.12 to the contrary, for purposes of determining which entities are treated as a single "service recipient" with the Company, the phrase "at least 20 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in Sections 1563(a)(1), (2) and (3) of the Code and Section 1.414(c)-2 of the Treasury Regulations, as permitted under Section 1.409A-1(h)(3) of the Treasury Regulations; and provided further that, solely for purposes of an Account consisting exclusively of a Grandfathered Account, "Separation from Service" shall be determined in accordance with the terms of the Prior Plan.

"Vacation" means one or more days, as the case may be, of such vacation to which the Participant is entitled pursuant to the policies and practices of the Company then in effect and (i) as of the date of the Participant's Separation from Service, deferred from a prior anniversary year and unused as of such Separation from Service, (ii) earned in the current anniversary year and unused as of such Separation from Service and (iii) if a Participant's Vacation described in clause (i) or (ii) of this definition is used in the anniversary year following the anniversary year in which such Separation from Service occurs, earned in such following anniversary year, whether or not used by the Participant.

SCHEDULE A

Notional Investment Options
Effective 2 November 2015 for exchanges and 3 November 2015 for future contributions

BTC LIFEPATH RET L

BTC LIFEPATH 2020 L

BTC LIFEPATH 2025 L

BTC LIFEPATH 2030 L

BTC LIFEPATH 2035 L

BTC LIFEPATH 2040 L

BTC LIFEPATH 2045 L

BTC LIFEPATH 2050 L

BTC LIFEPATH 2055 L

BTC LIFEPATH 2060 L

S & P 500 STOCK INDEX, CLASS F

SMALL/MID STOCK INDEX, CLASS F

INTERNATIONAL STOCK INDEX, CLASS F

U.S. TIPS BOND INDEX, CLASS F

U.S. BOND INDEX, CLASS F

COMMODITY INDEX, CLASS F

REAL ESTATE INDEX, CLASS F

FIDELITY GROWTH COMPANY COMMINGLED POOL

BOSTON PARTNERS LARGE CAP VALUE FUND

LOOMIS SAYLES SMALL/MID CAP FUND

TS&W INTERNATIONAL LARGE CAP EQUITY TRUST

WELLS FARGO ADVANTAGE EMERGING MARKETS EQUITY FUND CLASS R6

WELLS FARGO CORE PLUS BOND FUND

BLENDED INTEREST FUND

SHORT-TERM INVESTMENT FUND W

Exhibit 10.19

DEERE & COMPANY

NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN

EFFECTIVE DATE: 01 JANUARY 1997

REVISED: 26 MAY 1999
AMENDED BY SUPPLEMENT: 30 AUGUST 2006
AMENDED: 29 NOVEMBER 2006
AMENDED AND RESTATED 13 DECEMBER 2007: EFFECTIVE 1 JANUARY 2008
AMENDED: 25 FEBRUARY 2009 EFFECTIVE: 25 FEBRUARY 2009
AMENDED: 30 OCTOBER 2015 EFFECTIVE: 1 NOVEMBER 2015
AMENDED: 31 OCTOBER 2016 EFFECTIVE: 1 NOVEMBER 2015

(For special rules applicable to deferrals after 2004
see the supplement beginning on page 14)

DEERE & COMPANY

NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN

I. Purpose

The purposes of the Deere & Company Nonemployee Director Deferred Compensation Plan (“Plan”) are to attract and retain highly qualified individuals to serve as Directors of Deere & Company (“Company”) and to relate Nonemployee Directors’ interests more closely to the Company’s performance and its shareholders’ interests.

II. Eligibility

Each member of the Board of Directors (“Board”) of the Company who is not an employee of the Company or any of its subsidiaries (“Nonemployee Director”) is eligible to participate in the Plan.

III. Definitions

(a) Committee. The Nominating Committee of the Board or any successor committee of the Board.

(b) Common Stock. The publicly traded $1 par value common stock of the Company or any successor.

(c) Compensation. Amounts payable for services as a Nonemployee Director, excluding reimbursed expenses.

(d) Deferred Account. The bookkeeping account maintained for each participating Nonemployee Director which will be credited with Deferred Amounts pursuant to the terms hereof.

(e) Deferred Amounts. All amounts credited to a Nonemployee Director’s Deferred Account pursuant to the Plan.

(f) Elective Deferrals. Compensation voluntarily deferred by a Nonemployee Director under the Plan after 31 December 1996 (other than Lump-Sum Deferral defined below).

(g) Investment Return Any amounts (positive or negative) attributable to the Interest Alternative or the Equity Alternative (as such terms are defined in Section VII(c)) and any return (positive or negative) attributable to Notional Investments determined pursuant to VII(j).

(h) Lump-Sum Deferral. A one-time lump-sum amount for each

Nonemployee Director serving on 31 December 1996, which amount is deferred under the Plan as described in Section V, below, as a result of the termination of the John Deere Pension Benefit Plan for Directors ("Retirement Plan").

(i) Notional Investment Options. The mutual funds and other investment vehicles designated by the Committee to be used to measure the return (positive or negative) to be attributed to deferred amounts

(j) Participant. A Nonemployee Director for whom a Lump-Sum Deferral occurs on the Effective Date, or who elects to participate in the Plan.

(k) Pre-1997 Elective Deferrals. Compensation deferred by a Nonemployee Director prior to 1 January 1997 under the predecessor Directors' Deferred Compensation Plan approved 30 January 1973, as amended from time to time.

(l) Recordkeeper. The entity which the Employer has selected to recordkeep the Nonemployee Director Deferred Compensation Plan.

(m) Secretary. The Secretary of the Company.

(n) Transition Date. 7 October 2016

IV. Effective Date

The effective date of the Plan is 1 January 1997 ("Effective Date").

V. Lump-Sum Deferral

As of the Effective Date, the Retirement Plan will be eliminated and the present value of the life annuity offered under the Retirement Plan for each Nonemployee Director who is both a participant in the Retirement Plan and a member of the Board on the Effective Date will be deposited into the Deferred Account of such Nonemployee Director. The present value will be determined by using a discount factor which shall be the rate for 10-year treasury stripped bonds in effect as of 31 December 1996 and by using the 1984 Unisex Pension Mortality tables published in the Pension Benefit Guaranty Corporation Regulation 2619, Appendix A.

VI. Elective Deferral

(a) Participants may elect to defer a part or all of their annual Compensation by making an irrevocable deferral election in writing on a form provided by the Company and delivered to the Company not later than the Company may direct. Elective Deferrals will become effective on the first day of the following calendar quarter, at which time they become irrevocable.

Notwithstanding the preceding sentence, any person who first becomes a Nonemployee Director during a calendar quarter, may elect, before his or her term begins, to defer a part or all of his or her compensation that would otherwise be payable to him or her during the remainder of such calendar quarter and each succeeding calendar quarter until such election is modified or terminated as provided herein. A Participant may discontinue deferrals, or may change his or her investment choices, for future quarters by providing a written election delivered to the Company not later than the Company may direct. These changes will become effective on the first day of the following calendar quarter.

(b) If the amount of a Participant's Compensation is changed, the deferral percentage and investment alternative elections shall continue to be applied to the new Compensation amount after the change.

VII. Deferred Account

(a) The Recordkeeper shall establish a separate Deferred Account for each Participant.

(b) Unless and until reallocated pursuant to Section VII(j), pre-1997 Elective Deferrals and the interest earned thereon shall be credited to the Deferred Account and will continue to be invested in the Interest Alternative described below.

(c) As of the Effective Date and continuing for periods ending on the Transition Date, two investment alternatives will be available: an interest-bearing alternative (the "Interest Alternative") and an equity alternative denominated in units of Deere Common Stock (the "Equity Alternative"). Additional investment alternatives may be added by subsequent amendment of the Plan.

(d) For deferral elections made prior to the Transition Date, at the time of Elective Deferral, Participants may direct their deferrals into either the Interest Alternative or the Equity Alternative, or a combination of the two, in increments of 5%.

(e) Deferred amounts credited into the Interest Alternative will be credited with interest at the end of each calendar quarter at the interest rate identified in the U.S. Federal Reserve Statistical Release, "bank prime loan" rate for the second month of each calendar quarter, plus 2%. Deferred amounts credited into the Interest Alternative after December 31, 2009, will be credited with interest at the end of each calendar quarter at an at-market rate equal to the at-market rate used for the employee Deere & Company Voluntary Deferred Compensation Plan.

(f) Deferred Amounts credited into the Equity Alternative shall be expressed and credited to each Participant's Deferred Account in units ("Units") determined as hereinafter provided. As of each date on which Deferred Amounts are credited into the Equity Alternative, the Recordkeeper shall credit to such Deferred Account a number of Units and fractional Units, rounded to three decimal places, determined by dividing such Deferred Amounts by the Unit Value (as defined below) of one share of Common Stock. The "Unit Value" of one share of Common Stock shall be the closing price of the Common Stock on the New York Stock Exchange on the date on which Deferred Amounts are credited to the Deferred Account or a payment is to be valued under Section VIII (b) below, as the case may be; or if there were no sales on that day, then Unit Value shall be the closing price on the New York Stock Exchange Composite Tape on the most recent preceding day on which there were sales. The Lump-Sum Deferral shall be credited as of the Effective Date.

(g) When dividends are paid with respect to the Company's Common Stock, the Recordkeeper shall calculate the amount which would have been payable on the Units in each Participant's Deferred Account on each dividend record date as if each Unit represented one issued and outstanding share of the Company's Common Stock. The applicable number of Units and fractional Units equal to the amount of such dividends (based on the Unit Value of one share of the Company's Common Stock on the dividend payment date) shall be credited to each Participant's Deferred Account. In the event of any capital stock adjustment to the Company's Common Stock or other similar event, the number of Units or fractional Units credited to Deferred Accounts shall be adjusted to appropriately reflect such event.

(h) Participants credited with Units hereunder shall not have any voting rights in respect thereof.

(i) For periods beginning on or after the Transition Date, a Participant's account shall continue to be valued as provided in the foregoing Sections VII(b) through (h), except that the account shall be valued in such manner only on the portion of the account that is not allocated to other Notional Investment Options pursuant to Section VII(j).

(j) For periods beginning on the Transition Date, the Committee has established the Notional Investment Options listed on Schedule A which shall be available for exchanges and future contributions. The Committee may from time to time in its discretion modify the list of Notional Investment Options set forth on Schedule A and, as so modified, such list shall constitute the Notional Investment Options available for exchanges and future contributions occurring after the effective date of such modification. A Participant may reallocate the Participant's account

balance among the available Notional Investment Options on a daily basis pursuant to procedures established by the Committee.

(k) Unless otherwise determined by the Committee, neither the Interest Alternative nor the Equity Alternative shall be available as a Notional Investment Option for amounts deferred after 31 December 2016. All such deferrals shall instead be allocated to one or more Notional Investment Options pursuant to a Participant's election made pursuant to Section VII(j) above and shall thereafter be available for reallocation as specified therein. With respect to amounts deferred before 1 January 2017: (I) no such amount (including return thereon) that has been allocated from the Interest Alternative or the Equity Alternative to another Notional Investment Option may be reallocated back to either such alternative at any time.

(l) A Participant's account shall be credited (or debited) with returns (positive or negative) on the Notional Investment Options to which the Participant's account is allocated. The Recordkeeper shall from time to time calculate each Participant's account value based on the Participant's deferred amounts and elections with respect to the deemed allocation of the Participant's account among the Notional Investment Options available to the Participant. Such calculation will be based on the best information available to the Recordkeeper as of the date of determination, which information may include estimates.

(m) The Committee may, from time to time, change the Notional Investment Options available to Participants. Nothing in the Plan shall be construed to confer on a Participant the right to continue to have any particular Notional Investment Option available for purposes of measuring the value of the Participant's account.

(n) The value of a Participant's account is subject to risk at all times based upon the performance of the Notional Investment Options to which the Participant's account is allocated. If the value of a Participant's Notional Investment Options decreases in the future, the value of the Participant's account may be lower than the Participant's original deferred amounts. Although a Participant will not be an investor in the elected Notional Investment Options, a Participant's account will be subject to gains and losses attributable to the performance of the elected Notional Investment Options. Payment of the Participant's account is also subject to the risks associated with the Participant's status as an unsecured general creditor of the Company as described in Section XI.

VIII. <u>Payment of Benefits</u>

(a) The value of a Participant's Deferred Account shall be payable solely in cash, either in (i) a lump sum, or (ii) in up to ten equal annual installments, in accordance with an election made by the Participant by written notice delivered to the Recordkeeper prior to the calendar year in which payments are to be made or commence. Such payment or payments shall be made or commence, as the case may be, on the first business day of the calendar year following the year of the termination of service as Director.

(b) Any lump sum payment shall be valued as of the end of the most recent calendar month prior to the payment date. The amount of each installment payment shall be determined by dividing the aggregate value credited to the Participant's Deferred Account (as of the end of the most recent calendar month prior to the payment date) by the remaining number of unpaid installments; provided, however, that the Committee may, in its absolute discretion, approve any other method of determining the amount of each installment payment in order to achieve approximately equal installment payments over the installment period.

(c) The Company shall have the right to deduct from all payments under this Plan the amount necessary to satisfy any Federal, state, or local withholding tax requirements.

(d) The Committee, at its sole discretion, may alter the timing or manner of payment of Deferred Amounts in the event that the Participant establishes, to the satisfaction of the Board, severe financial hardship. In such event, the Committee may:

(1) provide that all or a portion of the amount previously deferred by the Participant shall be paid immediately in a lump-sum cash payment;

(2) provide that all or a portion of the installments payable over a period of time shall be paid immediately in a lump sum; or

(3) provide for such other installment payment schedules as it deems appropriate under the circumstances.

It is expressly provided that the amount distributed shall not be in excess of that amount which is necessary for the Participant to meet the financial hardship. Severe financial hardship will be deemed to have occurred in the event of the Participant's impending bankruptcy, the long and serious illness of Participant or a dependent, other events of similar magnitude, or the invalidation of a deferral election by the Internal Revenue Service. The Committee's decision in passing on the severe financial hardship of the Participant and the manner in which, if at all, the payment of Deferred

Amounts shall be altered or modified shall be final, conclusive and not subject to appeal.

IX. Death of Participant

(a) In the event of the death of a Participant, any amounts remaining in the Deferred Account will be paid to the Participant's designated beneficiary in accordance with the distribution choices (e.g., lump sum or installments) elected by the Participant. These payments will commence on the first business day of the calendar year following the Participant's death. Amounts unpaid after the death of both the Participant and the designated beneficiary will be paid in a lump sum to the executor or administrator of the estate of the last of them to die. In the event that a Participant had not properly filed a beneficiary designation with the Recordkeeper prior to his or her death or, in the event a beneficiary predeceases the Participant, any unpaid deferrals will be paid in a lump sum to the Participant's estate.

(b) No beneficiary hereunder shall have any right to assign, alienate, pledge, hypothecate, anticipate, or in any way create a lien upon any part of this Plan, nor shall the interest of any beneficiary or any distributions due or accruing to such beneficiary be liable in any way for the debts, defaults, or obligations of such beneficiary, whether such obligations arise out of contract or tort.

X. Change of Control

The following acceleration and valuation provisions shall apply in the event of a "Change of Control" or "Potential Change of Control," as defined in this Section X.

(a) In the event that:

(i) a "Change of Control" as defined in paragraph (b) of this Section X occurs; or

(ii) a "Potential Change of Control" as defined in paragraph (c) of this Section X occurs and the Committee or the Board determines that the provisions of this paragraph (a) should be invoked;

then, unless otherwise determined by the Committee or the Board in writing prior to the occurrence of such Change of Control, the value of all Units credited to a Participant's Deferred Account shall be converted to cash based on the "Change of Control Price" (as defined in paragraph X(d)) and the aggregate amount credited to the Participant's Deferred Account under the Plan shall be paid in one lump-sum payment as soon

as practicable following the date the Change of Control or Potential Change of Control occurs, but in no event more than 90 days after such date.

(b) For purposes of paragraph (a) of this Section X, a “Change of Control” means a change in control of a nature that would be required to be reported in response to Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 (“Exchange Act”) whether or not the Company is then subject to such reporting requirement, provided that, without limitation, such a Change of Control shall be deemed to have occurred if:

(i) any “person” (as defined in Sections 13(d) and 14(d) of the Exchange Act), other than a Participant in the Plan or group of Participants in the Plan, is or becomes the “beneficial owner” (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding securities;

(ii) during any period of two consecutive years, there shall cease to be a majority of the Board comprised as follows: individuals who at the beginning of such period constitute the Board and any new director(s) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least _ of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved;

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other company, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger of consolidation; or

(iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets.

(c) For purposes of paragraph (a) of this Section X, a “Potential Change of Control” means the happening of any of the following:

(i) the entering into an agreement by the Company (other than with a Participant in the Plan or group of Participants in the Plan), the consummation of which would result in a Change of Control of the Company as defined in paragraph (b) of this Section X; or

(ii) the acquisition of beneficial ownership, directly or indirectly, by any entity, person or group (other than a Participant or group of Participants, the Company or a majority owned subsidiary of the Company, or any of the Company's employee benefit plans including its trustee) of securities of the Company representing 5% or more of the combined voting power of the Company's outstanding securities and the adoption by the Board of a resolution to the effect that a Potential Change of Control of the Company has occurred for purposes of the Plan.

(d) For purposes of this Section X, "Change of Control Price" means the highest price per share of the Common Stock paid in any transaction reported on the New York Stock Exchange Composite Tape, or offered in any transaction related to a Potential or actual Change of Control of the Company at:

(i) the date the Change of Control occurs;

(ii) the date the Potential Change of Control is determined to have occurred; or

(iii) such other date as the Committee may determine before the Change of Control occurs, or before or at the time the Potential Change of Control is determined to have occurred or the Committee or the Board determines that the provisions of paragraph X(a) shall be invoked, or at any time selected by the Committee during the 60 day period preceding such date.

(e) Notwithstanding anything to the contrary in the Plan, in the event of a Change of Control (i) the Plan may not be amended to reduce the formulas contained in paragraph VII(e) which determine the rate at which amounts equivalent to interest accrue with respect to cash amounts credited to a Participant's Deferred Account, including cash amounts attributable to the conversion of Units in a Participant's Deferred Account pursuant to paragraph X (a), and (ii) the successor Plan Administrator referred to in paragraph XI(d) shall determine the rates under the interest formulas contained in paragraph VII(e).

XI. <u>Miscellaneous</u>

(a) The right of a Participant to receive any amount credited to the Participant's Deferred Account shall not be transferable or assignable by the Participant, in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or in any other manner, and no right or interest established herein shall be liable for, or subject to, any obligation or liability of the Participant, except by will or by the laws of descent and distribution. To the extent that any person acquires a right to receive any amount credited to a Participant's Deferred Account hereunder, such right shall be no greater than that of an unsecured general creditor of the Company. Except as expressly provided herein, any person having an interest in any amount credited to a Participant's Deferred Account under the Plan shall not be entitled to payment until the date the amount is due and payable. No person shall be entitled to anticipate any payment by assignment, alienation, sale, pledge, encumbrance or transfer in any form or manner prior to actual or constructive receipt thereof.

(b) The amounts credited to the Deferred Account shall constitute an unsecured claim against the general funds of the Company. The Company shall not be required to reserve or otherwise set aside funds or shares of Common Stock for the payment of its obligations hereunder. The Plan is unfunded, and the Company will make Plan benefit payments solely from the general assets of the Company as benefit payments come due from time to time.

(c) Except as herein provided, this Plan shall be binding upon the parties hereto, their designated beneficiaries, heirs, executors, administrators, successors (including but not limited to successors resulting from any corporate merger, purchase, consolidation or otherwise of all or substantially all of the business or assets of the Company) or assigns.

(d) In the event of a Change in Control, the Committee shall interpret the Plan and make all determinations, construe any ambiguity, supply any omission, and reconcile any inconsistency, deemed necessary or desirable for the Plan's implementation. The determination of the Committee shall be conclusive. The Committee may obtain such advice or assistance as it deems appropriate from persons not serving on the Committee. The Secretary or other appropriate officer of the Company shall, in the event of any Change in Control, name as successor Plan Administrator any person or entity (including, without limitation, a bank or trust company). Following a Change in Control, the successor Plan Administrator shall interpret the Plan and make all determinations deemed necessary or desirable for the Plan's implementation. The determination of the successor Plan Administrator shall be conclusive. The Company shall provide the successor Plan Administrator with such records and

information as are necessary for the proper administration of the Plan. The successor Plan Administrator shall rely on such records and other information as the successor Plan Administrator shall in its judgment deem necessary or appropriate in determining the eligibility of a Participant and the amount payable to a Participant under the Plan.

(e) The Board, upon recommendation of the Committee, may at any time amend or terminate the Plan provided that no amendment or termination shall impair the rights of a Participant with respect to amounts then credited to the Participant's Deferred Account, except with his or her consent.

(f) Each Participant will receive a quarterly statement indicating the amounts credited to the Participant's Deferred Account as of the end of the preceding calendar quarter.

(g) If adjustments are made to outstanding shares of Common Stock as a result of stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations and other changes in the corporate structure of the Company affecting the Common Stock, an appropriate adjustment shall also be made in the number and type of Units credited to the Participant's Deferred Account to prevent dilution or enlargement of rights. The Committee's or Board's determination as to what adjustments shall be made, and the extent thereof, shall be final.

(h) This Plan and all elections hereunder shall be construed in accordance with and governed by the laws of the State of Illinois.

(i) Except where otherwise indicated by the context, any term used herein connoting gender also shall include both the masculine and feminine; the plural shall include the singular, and the singular shall include the plural.

(j) In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(k) Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any Nonemployee Director for reelection by the Company's shareholders, or rights to any benefits not specifically provided by the Plan.

(l) The crediting of Units and the payment of cash under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies as may be required.

(m) The Company may impose such other restrictions on any Units credited pursuant to the Plan as it may deem advisable including, without limitation, restrictions intended to achieve compliance with the Securities Act of 1933, as amended, Section 16 of the Securities Exchange Act of 1934, as amended, with the requirements of any stock exchange upon which Common Stock is listed, and with any blue sky or other securities laws applicable to such Units.

(n) With respect to any Participants subject to Section 16 of the Securities Exchange Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors. To the extent any provision of the Plan or action by the Board fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Board.

SUPPLEMENT TO DEERE & COMPANY NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN APPLICABLE TO AMOUNTS DEFERRED AFTER DECEMBER 31, 2004

The following provisions will apply only to amounts deferred under the Plan after December 31, 2004 and not to amounts deferred under the Plan that were both earned and vested before January 1, 2005. Amounts deferred under the Plan prior to January 1, 2005 will be subject to the terms of the Plan without regard to this supplement. Except to the extent amended hereby, the terms of the Plan shall continue to apply to amounts deferred pursuant to the Plan.

1. The following definitions are added to **Section III (Definitions)**.

(a) Change in Control Event. A change in ownership, a change in effective control, or a change in the ownership of a substantial portion of the assets of the Company within the meaning of the default rules under Section 409A.

(l) Section 409A. Section 409A of the Internal Revenue Code and the regulations and other guidance thereunder.

(m) Separation from Service. With respect to a Participant, a separation from service as a director or independent contractor within the meaning of the default rules of Section 409A.

(n) Unforeseeable Emergency. A severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant or his spouse, dependent (within the meaning of Section 152 of the Internal Revenue Code, but without giving effect to Section 152(b)(1), (b)(2) and (d)(1)(B) ("Dependent")) or beneficiary, (ii) the loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster), (iii) the imminent foreclosure of or eviction from the Participant's primary residence, (iv) the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication, (v) the need to pay for the funeral expenses of a spouse, Dependent or beneficiary, or (vi) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The purchase of a primary residence and the payment of college tuition shall not constitute Unforeseeable Emergencies.

2. Subsections (a) through (j) of **Section III (<u>Definitions</u>)** are renumbered as subsections (b) through (k).

3. **Section VI(a) (<u>Elective Deferral</u>)** is restated in its entirety as follows:

   (a) Participants may elect to defer a part or all of their annual Compensation by making an irrevocable deferral election in writing on a form provided by the Company and delivered to the Company not later than the last day of the calendar year preceding the calendar year in which the deferrals are to commence, at which time the deferral election becomes irrevocable. Notwithstanding the preceding sentence, any person who first becomes a Nonemployee Director during a calendar year, may elect, before or within 30 days after his or her term begins, to defer a part or all of his or her compensation that would otherwise be payable to him or her during the remainder of such calendar year and each succeeding calendar year until such election is modified or terminated as provided herein, except that no such election shall be available to a Nonemployee Director if prior to becoming eligible to participate in the Plan, the Nonemployee Director was eligible to participate in any other arrangement of the Company or its subsidiaries or affiliates that is an "elective account balance" plan (as such term is defined for purposes of Section 409A) for directors or independent contractors, other than a separation pay arrangement. If a Participant fails to make an election to defer a part or all of the Participant's annual Compensation for a calendar year by the applicable deadline provided for in the two preceding sentences, then no portion of the Participant's annual Compensation for such year shall be deferred pursuant to the Plan.

4. **Section VIII (<u>Payment of Benefits</u>)** is restated in its entirety as follows:

   (a) The value of a Participant's Deferred Account attributable to amounts deferred in respect of any calendar year (including related investment returns) shall be payable solely in cash, either in (i) a lump sum, or (ii) in up to ten equal annual installments, in accordance with an election made by the Participant by written notice delivered to the Recordkeeper prior to the calendar year for which the services to the Company are rendered. Such payment or payments shall be made or commence, as the case may be, on the first business day of the calendar year following the year of the Participant's Separation from Service.

   (b) Notwithstanding anything else herein to the contrary, to the extent that a Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code, as determined under the Company's established methodology for determining specified

employees, on the date on which the Participant incurs a Separation from Service, no distribution upon Separation from Service (including upon retirement or other termination) may be made before the first business day of the first calendar quarter that begins at least six (6) months after such Participant's date of Separation from Service, or, if earlier, the date of the Participant's death, and any distribution that would be made but for application of this provision shall instead be aggregated with, and paid together with, the first distribution scheduled to be made after the end of such delay period (or, if earlier, the date of the Participant's death).

(c) Any lump sum payment shall be valued as of the end of the most recent calendar month prior to the payment date. The amount of each installment payment shall be determined by dividing the aggregate value credited to the Participant's Deferred Account (as of the end of the most recent calendar month prior to the payment date) by the remaining number of unpaid installments.

(d) The Company shall have the right to deduct from all payments under this Plan the amount necessary to satisfy any Federal, state, or local withholding tax requirements.

(e) The Committee, at its sole discretion, may alter the timing or manner of payment of Deferred Amounts in the event that the Participant establishes, to the satisfaction of the Board, that there has occurred an Unforeseeable Emergency. In such event, the Committee may:

(i) provide that all or a portion of the amount previously deferred by the Participant shall be paid immediately in a lump-sum cash payment; or

(ii) provide that all or a portion of the installments payable over a period of time shall be paid immediately in a lump sum.

It is expressly provided that, as determined under regulations of the Secretary of the United States Treasury, the amount distributed shall not be in excess of that amount which is reasonably necessary to satisfy the Unforeseeable Emergency (which may include amounts necessary to pay taxes reasonably anticipated as a result of such distribution(s)), after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, or by liquidation of the Participant's assets to the extent liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals

under the Plan. If a Participant requests and receives a distribution on account of Unforeseeable Emergency, the Participant's deferrals under the Plan shall cease and his election under the Plan shall be canceled. Any new deferral election following cancellation of a prior deferral election due to Unforeseeable Emergency shall be subject to the timing requirements of Section VI and Section 409A.

The Committee's decision in passing on the occurrence of an Unforeseeable Emergency for the Participant and the manner in which, if at all, the payment of Deferred Amounts shall be altered or modified shall be final, conclusive and not subject to appeal.

(f) Notwithstanding anything to the contrary herein, this Plan does not permit the acceleration of the time or schedule of any distribution under the Plan, except as would not result in the imposition on any person of additional taxes, penalties or interest under Section 409A.

5. Subsection (a) of **Section IX (<u>Death of Participant</u>)** is restated in its entirety as follows:

(a) In the event of the death of a Participant, any amounts remaining in the Deferred Account will be paid to the Participant's designated beneficiary in a single lump sum on the first business day of the calendar year following the Participant's death. In the event that a Participant had not properly filed a beneficiary designation with the Recordkeeper prior to his or her death, or if the beneficiary dies prior to the payment date set forth in the preceding sentence, the balance of the Participant's Deferred Account will be paid to his or her estate on such payment date.

6. **Section X (<u>Change in Control</u>)** is restated in its entirety as follows:

The following acceleration and valuation provisions shall apply in the event of a Change in Control Event.

(a) In the event that a Change in Control Event occurs, then the value of all Units credited to a Participant's Deferred Account shall be converted to cash, determined by multiplying the number of Units credited to the Participant's Deferred Account on the date of the Change in Control Event by the "Change in Control Price" (as defined in paragraph X(b)), and the aggregate amount credited to the Participant's Deferred Account under the Plan shall be paid in one lump-sum payment as soon as practicable following the date the Change in Control Event occurs, but in no event more than 90 days after such date.

(b) For purposes of this Section X, "Change in Control Price" means the closing selling price of a share of Common Stock on the date the Change in Control Event occurs, or if there are no sales on the date the

Change in Control Event occurs, the closing selling price of a share of Common Stock on the trading day immediately preceding the date the Change in Control Event occurs, in either case as reported on the composite tape for securities listed on the NYSE, or such other national securities exchange as may be designated by the Committee.

(c) Notwithstanding anything to the contrary in the Plan, in the event of a Change in Control Event (i) the Plan may not be amended to reduce the formulas contained in paragraph VII(e), which determine the rate at which amounts equivalent to interest accrue with respect to cash amounts credited to a Participant's Deferred Account, including cash amounts attributable to the conversion of Units in a Participant's Deferred Account pursuant to paragraph X (a), and (ii) the successor Plan Administrator referred to in paragraph XI(d) shall determine the rates under the interest formulas contained in paragraph VII(e).

7. **Subsection XI(b) (<u>Miscellaneous</u>)** is amended by adding the following after the initial sentence thereof:

"No Participant or beneficiary shall have any interest whatsoever in any specific asset of the Company.

8. **Subsection XI(d) (<u>Miscellaneous</u>)** is amended by replacing each occurrence of the term "Change in Control" with "Change in Control Event".

9. **Subsection XI(e) (<u>Miscellaneous</u>)** is amended by adding thereto:

"If the Plan is terminated, the balance of the Participant's Deferred Account shall be paid in accordance with normal time and form of payment specified hereunder, provided that the Committee, in its discretion and in full and complete settlement of the Company's obligations under this Plan, may cause the Company to distribute the full amount of a Participant's Deferred Account to the Participant in a single lump sum to the extent that such distribution may be effected in a manner that will not result in the imposition on any person of additional taxes, penalties or interest under Section 409A.

Notwithstanding any provision in this Plan to the contrary, the Board, the Committee or the Vice President of Human Resources of the Company shall have the unilateral right to amend or modify the Plan to the extent the Board, the Committee or the Vice President of Human Resources of the Company deems such action to be necessary or advisable to avoid the imposition on any person of adverse or unintended tax consequences under Section 409A,

including recognition of income in respect of any benefits under this Plan before such benefits are paid or the imposition of additional taxes, penalties or interest. Any determinations made by the Board, the Committee or the Vice President of Human Resources of the Company in this regard shall be final, conclusive and binding on all persons."

SCHEDULE A

Notional Investment Options
Effective 7 October 2016 for exchanges and future contributions

BTC LIFEPATH RET L

BTC LIFEPATH 2020 L

BTC LIFEPATH 2025 L

BTC LIFEPATH 2030 L

BTC LIFEPATH 2035 L

BTC LIFEPATH 2040 L

BTC LIFEPATH 2045 L

BTC LIFEPATH 2050 L

BTC LIFEPATH 2055 L

BTC LIFEPATH 2060 L

S & P 500 STOCK INDEX, CLASS F

SMALL/MID STOCK INDEX, CLASS F

INTERNATIONAL STOCK INDEX, CLASS F

U.S. TIPS BOND INDEX, CLASS F

U.S. BOND INDEX, CLASS F

COMMODITY INDEX, CLASS F

REAL ESTATE INDEX, CLASS F

FIDELITY GROWTH COMPANY COMMINGLED POOL

BOSTON PARTNERS LARGE CAP VALUE FUND

LOOMIS SAYLES SMALL/MID CAP FUND

TS&W INTERNATIONAL LARGE CAP EQUITY TRUST

WELLS FARGO ADVANTAGE EMERGING MARKETS EQUITY FUND CLASS R6

WELLS FARGO CORE PLUS BOND FUND

FIDELITY® INVESTMENTS MONEY MARKET FUNDS GOVERNMENT PORTFOLIO INSTITUTIONAL CLASS

Exhibit 12

DEERE & COMPANY AND CONSOLIDATED SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(In millions of dollars)

	Years Ended				
	October 29 2017	October 30 2016	November 1 2015	November 2 2014	October 27 2013
Earnings:					
Income of consolidated group before income taxes	$ 3,153.8	$ 2,224.0	$ 2,780.1	$ 4,797.4	$ 5,483.4
Dividends received from unconsolidated affiliates	3.6	8.3	1.3	.6	9.9
Fixed charges excluding unamortized capitalized interest	909.7	771.9	687.8	669.3	749.0
Total earnings	$ 4,067.1	$ 3,004.2	$ 3,469.2	$ 5,467.3	$ 6,242.3
Fixed charges:					
Interest expense of consolidated group including capitalized interest	$ 903.4	$ 769.0	$ 687.4	$ 670.2	$ 754.8
Portion of rental charges deemed to be interest	10.2	8.2	7.8	5.3	7.7
Total fixed charges	$ 913.6	$ 777.2	$ 695.2	$ 675.5	$ 762.5
Ratio of earnings to fixed charges	4.45	3.87	4.99	8.09	8.19

The computation of the ratio of earnings to fixed charges is based on applicable amounts of the Company and its consolidated subsidiaries plus dividends received from unconsolidated affiliates. ''Earnings'' consist of income before income taxes, the cumulative effect of changes in accounting, discontinued operations and fixed charges excluding unamortized capitalized interest. ''Fixed charges'' consist of interest on indebtedness, amortization of debt discount and expense, interest related to uncertain tax positions, an estimated amount of rental expense that is deemed to be representative of the interest factor, and capitalized interest.

The Company has not issued preferred stock. Therefore, the ratios of earnings to combined fixed charges and preferred stock dividends are the same as the ratios presented above.

Exhibit 21

DEERE & COMPANY
AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

As of October 29, 2017

Subsidiary companies of Deere & Company are listed below. Except where otherwise indicated, 100 percent of the voting securities of the companies named is owned directly or indirectly by Deere & Company.

Name of subsidiary	Organized under the laws of
Subsidiaries included in consolidated financial statements *	
Banco John Deere S.A.	Brazil
Chamberlain Holdings Limited	Australia
Deere Capital, Inc.	Nevada
Deere Credit, Inc.	Delaware
Deere Credit Services, Inc.	Delaware
Deere Receivables LLC	Nevada
Farm Plan Corporation	Delaware
FPC Receivables, Inc.	Nevada
Industrias John Deere Argentina S.A.	Argentina
John Deere (China) Investment Co., Ltd.	China
John Deere (Jiamusi) Agricultural Machinery Co., Ltd.	China
John Deere (Ningbo) Agricultural Machinery Co., Ltd.	China
John Deere (Tianjin) International Trading Co., Ltd.	China
John Deere Agricultural Holdings, Inc.	Delaware
John Deere Asia (Singapore) Private Limited	Singapore
John Deere Bank S.A.	Luxembourg
John Deere Brasil Ltda.	Brazil
John Deere Canada ULC	Canada
John Deere Capital Corporation	Delaware
John Deere Cash Management S.A.	Luxembourg
John Deere Construction & Forestry Company	Delaware
John Deere - Distribuidora de Títulos e Valores Mobiliários Ltda.	Brazil
John Deere Electronic Solutions, Inc.	North Dakota
John Deere Financial, f.s.b.	Federal
John Deere Financial Inc.	Canada
John Deere Financial Limited	Australia
John Deere Financial Mexico, S.A. de C.V. SOFOM, ENR	Mexico
John Deere Financial Services, Inc.	Delaware
John Deere Forestry Group LLC	Illinois
John Deere Funding Corporation	Nevada
John Deere GmbH & Co. KG	Germany
John Deere Iberica S.A.	Spain
John Deere India Private Limited	India
John Deere International GmbH	Switzerland
John Deere-Lanz Verwaltungs GmbH	Germany
John Deere Leasing Company	Delaware
John Deere Limited	Australia
John Deere Limited	United Kingdom
John Deere Management Deutschland GmbH & Co. KG	Germany
John Deere Polska Sp. z o.o.	Poland
John Deere Receivables, Inc.	Nevada
John Deere, S.A. de C.V.	Mexico
John Deere S.A.S.	France
John Deere Shared Services, Inc.	Delaware

Name of subsidiary	Organized under the laws of
John Deere Thibodaux, Inc.	Louisiana
Motores John Deere S.A. de C.V.	Mexico
Nortrax, Inc.	Delaware
The Vapormatic Company Limited	United Kingdom
Waratah Forestry Equipment Canada Ltd.	Canada

* One-hundred-five consolidated subsidiaries and forty-six unconsolidated affiliates, whose names are omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-165069, 333-62669, 333-132013, 333-140980, 333-140981 and 333-202299 on Form S-8 and in Registration Statement No. 333-218760 on Form S-3 of our report dated December 18, 2017, relating to the consolidated financial statements and financial statement schedule of Deere & Company and subsidiaries (''Deere & Company''), and the effectiveness of Deere & Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Deere & Company for the year ended October 29, 2017.

/s/ DELOITTE & TOUCHE LLP
Chicago, Illinois

December 18, 2017

Exhibit 31.1

CERTIFICATIONS

I, Samuel R. Allen, certify that:

1. I have reviewed this annual report on Form 10-K of Deere & Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: December 18, 2017

By: */s/ Samuel R. Allen*

Samuel R. Allen
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Rajesh Kalathur, certify that:

1. I have reviewed this annual report on Form 10-K of Deere & Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 18, 2017

By: */s/ Rajesh Kalathur*

Rajesh Kalathur
Senior Vice President and Chief Financial Officer

Exhibit 32

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350
AS REQUIRED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Deere & Company (the ''Company'') on Form 10-K for the period ending October 29, 2017, as filed with the Securities and Exchange Commission on the date hereof (the ''Report''), the undersigned hereby certify that to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 18, 2017	*/s/ Samuel R. Allen* Samuel R. Allen	Chairman and Chief Executive Officer
December 18, 2017	*/s/ Rajesh Kalathur* Rajesh Kalathur	Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Deere & Company and will be retained by Deere & Company and furnished to the Securities and Exchange Commission or its staff upon request.